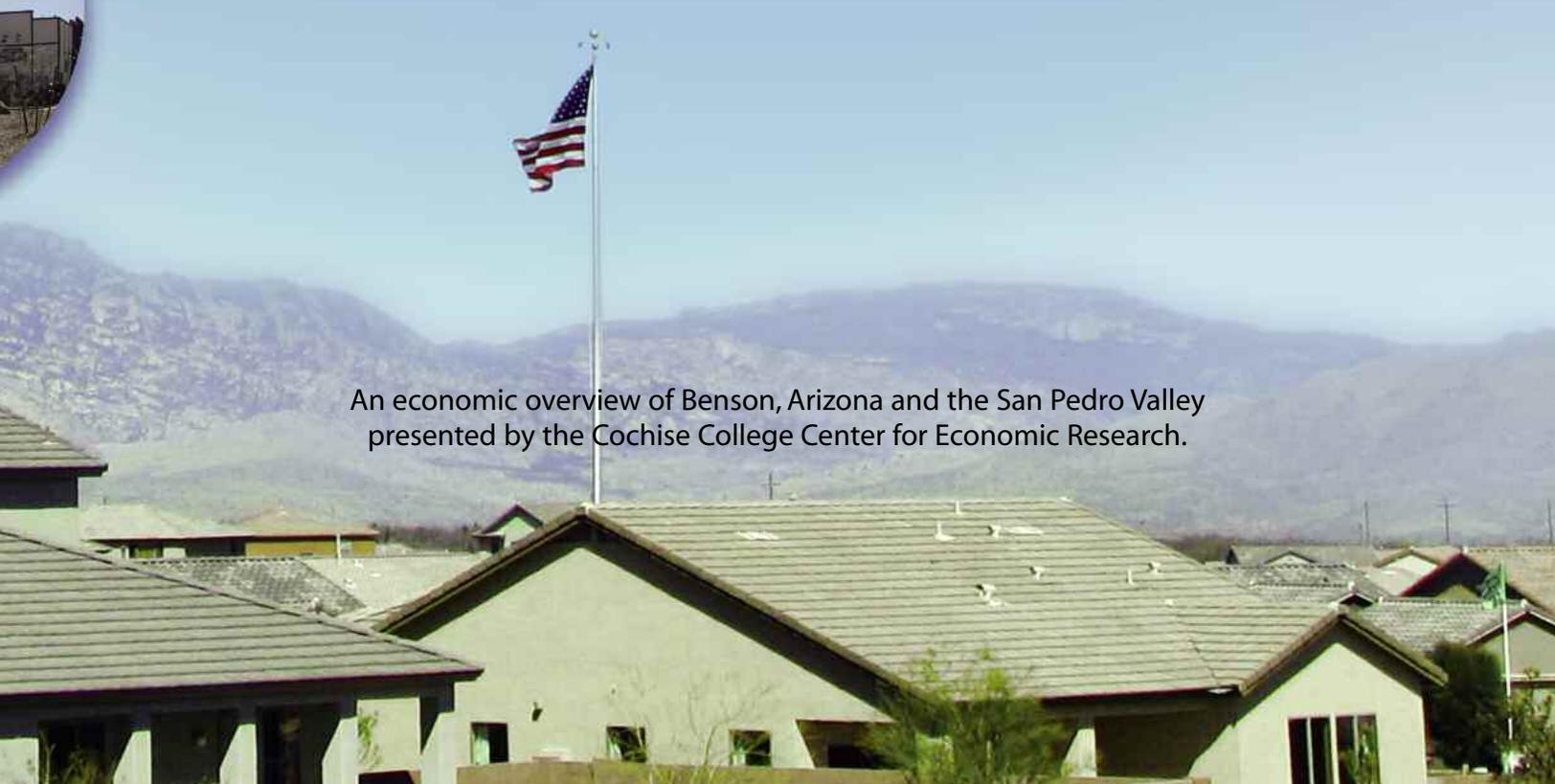


Benson

ECONOMIC OUTLOOK 2010



An economic overview of Benson, Arizona and the San Pedro Valley presented by the Cochise College Center for Economic Research.



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A review of the national, state, and local economy

National

From the beginning of the recession in December 2007 through February 2010, the national economy lost 8.4 million jobs, pushing the unemployment rate from 4.7 to 9.7 percent. The unemployment rate in October 2009 hit 10.1 percent, its highest level since June 1983.

Gross domestic product (GDP), the broadest measure of economic activity, declined by 0.7 percent (annualized) in the first quarter of 2008. The second quarter saw modest growth of 1.5 percent attributable to the economic stimulus package that sent tax rebate checks to millions of American households in an effort to boost consumer spending, which accounts for about two-thirds of GDP. GDP fell by 2.7 percent in the third quarter and 5.4 percent in the fourth quarter of 2008. In the first quarter of 2009, GDP fell by 6.4 percent, followed by a 0.7 percent decline in the second quarter. The decline in the first quarter of 2009 was the largest drop in domestic production since the first quarter of 1982. Potentially signaling the end of the recession, GDP grew by 2.2 percent in the third quarter of 2009 and 5.6 percent in the fourth quarter.

The big question is whether the economic growth seen in the second half of 2009 will be sustainable into 2010, or whether the economy will slip back into recession. Much of the economic growth in the latter half of 2009 was spurred by government stimulus efforts, including 'cash for clunkers,' which provided government subsidies toward the trade-in of high-fuel-consumption vehicles; homebuyer tax credits; low interest rates spurred by the government purchase of mortgage-backed securities; and various government spending projects. Since the spending and tax breaks were funded through government borrowing, they are not sustainable indefinitely. The associated budget deficits and debt service obligations have some economists concerned about their impact on future economic growth. For the recovery to be sustainable, it will need to survive the withdrawal of government stimulus efforts set to begin in 2010.



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

U.S. RECESSIONS SINCE 1945

PEAK	TROUGH	DURATION (MONTHS)
FEBRUARY 1945	OCTOBER 1945	8
NOVEMBER 1948	OCTOBER 1949	11
JULY 1953	MAY 1954	10
AUGUST 1957	APRIL 1958	8
APRIL 1960	FEBRUARY 1961	10
DECEMBER 1969	NOVEMBER 1970	11
NOVEMBER 1973	MARCH 1975	16
JANUARY 1980	JULY 1980	6
JULY 1981	NOVEMBER 1982	16
JULY 1990	MARCH 1991	8
MARCH 2001	NOVEMBER 2001	8
DECEMBER 2007	?	?

Source: National Bureau of Economic Research.

Arizona

From February 2007 through February 2010, Arizona lost 278,600 jobs. Arizona's unemployment rate rose from a low of 3.6 percent in June 2007 to a high of 9.5 percent reached in August 2009 and again in February 2010, its highest level since August 1983. The hardest hit industries were construction; trade, transportation, and utilities; and professional and business services.

Arizona's GDP fell by 0.6 percent in 2008, following slow growth of 1.4 percent the year prior. Arizona's economy was 43rd in the nation in 2008, ranked according to economic growth rates. In 2005 and 2006, Arizona was one of the top 3 fastest growing states economically. The decline in construction was the major cause of the slowdown, subtracting 0.98 points from the state's GDP in 2008. This was followed by finance and insurance, which subtracted 0.68 points.

The budget deficit continued to dominate the legislative agenda in 2009 and into 2010. During the boom years, taxes were lowered and government spending increased to unsustainable levels. The housing market decline and reductions in sales and income tax revenue resulted in budget deficits in fiscal years 2009 and 2010. In February 2010, after spending cuts and much borrowing, the deficit for fiscal year 2010 remained at \$700 million and projections of the deficit for fiscal year 2011 topped \$2.6 billion. In March 2010, the state legislature passed measures to balance the 2010 and 2011 budgets. The 2011 budget calls for \$1.1 billion in spending cuts and relies on voters approving \$500 million in cuts by repealing previous voter initiatives including First Things First, which funds early childhood development and health through a tobacco tax of 80 cents per pack of cigarettes. Under the budget approved by the legislature, the tax would remain in place but revenue would be redirected to the state's general fund. The budget also calls for cuts of \$385 million per year to the state's Medicaid program and relies on voter approval of Proposition 100 in a May 2010 special election to increase the state sales tax by one percentage point for 3 years.

Cochise County

From February 2008 through February 2010, Cochise County lost 1,725 jobs. The county's unemployment rate rose from a low of 3.7 percent in May 2007 to a high of 8.3 percent in February 2010. The hardest hit industries were construction; trade, transportation, and utilities; leisure and hospitality; and state and local government. Despite the rise in unemployment, Cochise County had the lowest unemployment rate of Arizona's 15 counties for most of 2009 and into 2010.

Cochise County's retail market slipped into recession in late 2007 and remained there through 2008 and most of 2009. Retail sales countywide declined in 21 of 23 months from November 2007 through September 2009, when compared to the same months the year prior. Sales rebounded in late 2009 and early 2010 with sales up in 3 of 4 months from October through January. Annual retail sales countywide declined by 6.5 percent in 2008 and 3.2 percent in 2009, after adjusting for inflation.

Cochise County's restaurant and bar sales also slipped into recession in late 2007. In 2008, inflation-adjusted sales were up 0.2 percent compared to 2007. Monthly sales, however, were down in 9 months of the year, and were down for 6 consecutive months from June through November. A monthly increase of 2.8 percent in December 2008 pushed sales for the year into positive territory. In 2009, sales were up 0.3 percent. Despite the slow rate of growth in 2009, sales were up in 8 of the 13 months from December 2008 through December 2009.

The county's accommodation sales, which include hotel, motel, and other temporary lodging stays of less than 30 days, slipped into recession in April 2008. Sales were up 0.1 percent for the year in 2008, after the inflation adjustment. Although sales were up for the year, monthly sales were down in 7 of the 8 months from April through November 2008, and, as with restaurant and bar sales, it was strong sales in December that pushed annual figures into positive territory. In 2009, sales were

down 4.7 percent. Sales were up for 3 consecutive months from September through November 2009, but were down again in December and January.

New residential home construction in Cochise County struggled in 2008 and into 2009. There were 296 new home permits issued throughout Cochise County in the first 10 months of 2009, down 17.1 percent from the same period of 2008. This followed annual declines of 18.8, 47.6, and 14.1 percent in 2006, 2007, and 2008, respectively. Despite the overall decline in the first 10 months of 2009, permits in the third quarter were 29.6 percent higher than in the third quarter of 2008. Permits were up in each month of the third quarter and into October signaling a potential recovery.

Existing home sales in Cochise County were down by 2.7 percent in 2009, after declining by 20.1, 10.4, and 21.1 percent in 2006, 2007, and 2008, respectively. The volume of homes sold in Cochise County in 2009 was 44.6 percent below the housing market peak in 2005. The median price of a home sold in Cochise County was down 0.8 percent in 2009, following a 5.6 percent decline the year prior. From 2004 through 2007, the median home price countywide increased by 39.4 percent, and from 2007 through 2009 it dropped by 6.3 percent. Despite the decline from 2007 through 2009, the median home price in 2009 remained more than 30 percent higher than in 2004.

While prices have dropped, the declines have been much more moderate than in other areas of the state and nation. According to the ACCRA Cost of living index, housing costs in Cochise County, which include both home prices and rental rates, were 5.4 percent below the national average in 2007, but 3.1 percent above the national average in 2008 and 4.1 percent above in 2009.

Benson

Benson's retail sales tax collections in 2009 were down 4.7 percent after adjusting for inflation. This followed a 2.7 percent decline in 2008. Declines in 2008 and 2009 were on the heels of a 42.8 percent jump in 2007 following the opening of the Wal-Mart Supercenter in the city.

Benson's restaurant and bar sales struggled from 2005 through 2008, declining each year in real, inflation-adjusted terms. In 2009, however, sales rebounded considerably, growing at a pace of 9.5 percent after adjusting for inflation. The strong performance is largely due to the opening of Gracie's Station, a new restaurant in the city.

In 2009, accommodation sales (hotel, motel, and other temporary lodging stays of less than 30 days) in Benson totaled \$4.1 million, down 5.5 percent from 2008, after adjusting for inflation. Despite the decline, Benson's accommodation receipts in 2009 accounted for 10 percent of the countywide total, up from 9.6 percent in 2008. Benson continues to capture a relatively large share of the county's accommodation market due to its location along Interstate 10 and its close proximity to Kartchner Caverns.

The year 2006 saw the first step toward build-out of several planned developments when the city issued 104 new home permits. The number of permits dropped to 25 in 2007. Although the number of permits fell dramatically, it remained high from an historical perspective. In the 5 years from 2001 through 2005, the city issued a combined total of only 12 new home permits. In 2008, new home permits rebounded to 64. Although permits were down by more than 40 percent in 2009, with only 38 permits issued, they remained high relative to historical trends from 2005 and earlier.

In 2009, the number of existing homes sold in Benson fell by 1.9 percent, after declining by 28 percent in 2008. The median price of a home sold in Benson was up 6.9 percent in 2009, after a decline of 9.4 percent in 2008. Despite the drop in the median home price in 2008, prices that year remained more than 75 percent higher than in 2004. In 2009, the median home price was nearly 90 percent higher than in 2004.

The years 2006 and 2007 saw a boom in commercial construction in Benson with more than \$16 million in new commercial construction investment in the city. Since then, new commercial construction in the city has slowed considerably.

Although permits were down by more than 40 percent in 2009, with only 38 permits issued, they remained high relative to historical trends from 2005 and earlier.



Benson "TEAM" looking to the future



Glenn Nichols
City Manager
City of Benson

Benson is a city that continues to work to be ready for its future. All city employees continue to provide excellent service to the residents of the city, the surrounding community, and the many visitors. All the areas of city government are looking at ways to provide even better customer service.

The city continues to be fiscally responsible. Again, Capital Improvement Plans (CIP) are on hold with the timelines pushed back. Through the budget process we continue to work not to layoff or furlough employees. Many departments are doing more with less and many department heads have taken on additional duties to save money. We continue to look for funding opportunities to improve the infrastructure of the city.

The city continues to position itself to handle the requests for services from groups and individuals. The staff has streamlined the process of providing consistent information to those interested in being a part of the City of Benson. We continue to look at ways to improve the city through creative ideas that get the most from available funding.

On behalf of our mayor, council, and staff, we welcome all to visit our city and see our many great attractions!



Benson is located 45 miles southeast of Tucson and 156 miles southeast of Phoenix

The City of Benson

The City of Benson is the fourth largest of seven incorporated areas in Cochise County. With a population of 5,162 as of mid-2009, Benson accounts for 3.7 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 12,449 in 2009, according to 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. Although growth has not proceeded at the fast pace once anticipated, the city and area remain poised for considerable growth over the next several decades.

The City of Benson was incorporated in 1924. Long before its incorporation, Benson developed as a stopping point for the Butterfield Overland Stage mail delivery route. The Southern Pacific Railroad came to Benson in the late 1800s and continued to serve the area until 1997, when the line was purchased by Union Pacific Railroad. In the late 1800s and early 1900s, 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.

In addition to its designation as The Gateway to the San Pedro Valley, the City of Benson is also

known as the Home of Kartchner Caverns State Park. Located on 550 acres at the foothills of the Whetstone Mountains on State Route 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. The park celebrated its 10-year anniversary in 2009.

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 thousands of homes in the Benson area over the next several decades, construction will also be a major contributor to Benson’s economy.

Nearby locations of interest include Kartchner Caverns State Park; Old Tucson’s Mescal movie site; the cities of Tombstone and Bisbee; Gammon 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; Fort Bowie National Historic Site; 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.cityofbenson.com or the Benson Visitor Center’s website at www.bensonvisitorcenter.com.

Benson Municipal Airport

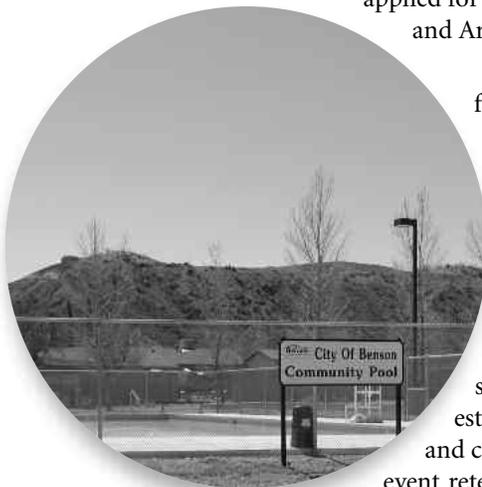
The Benson Municipal Airport (FAA Airport Identifier E95) is a full-service, general aviation airport located on 140 acres approximately three miles north of the city’s center. The airport is at an elevation of 3,829 feet. Benson Municipal Airport opened in December 1999 and serves helicopters, single-engine 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. 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 (520) 586-3262 or visit www.cityofbenson.com.

Economic Development

In 2009 in its economic development strategic plan, the City of Benson outlined several strategic goals. These included improved partnerships with a regional approach; establishment of a GIS database of property; development of a regional airport industrial and commercial area (targeting cluster employment); development of Union Pacific holdings; event retention and development to promote tourism; and continuation as a resource for small business information.

The City of Benson has created a webpage 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. For more information on the city’s economic development efforts, visit www.cityofbenson.com.



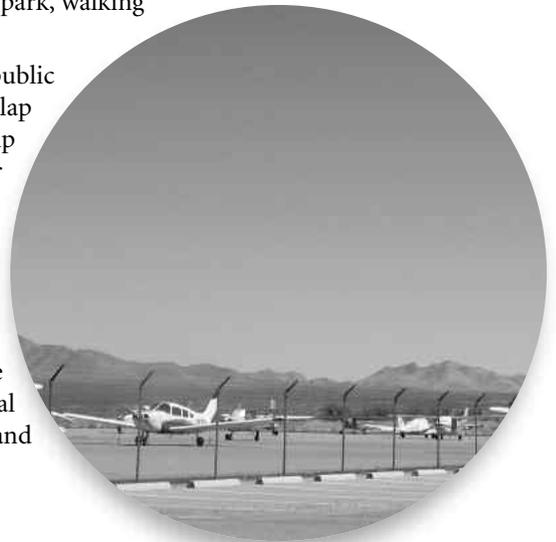
Quality of Life

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 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, lighted sports fields, 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.

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 pays dividends to its local merchants and contributes to the image of Benson, helping home sales and supporting the city's workforce development efforts.



The Benson Municipal Airport is a full-service, general aviation airport

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 groundwater use per year. The city's Capital Improvements Program has six water supply construction projects 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. One recently completed project is the new Union Street Park Pool at \$550,000. On the maintenance side, the plan includes more than \$200,000 a year in pavement preservation. Other projects include the \$3 million reconstruction of Ocotillo Street from 4th Street to Union Street, the design of the wastewater treatment plant expansion, and several water projects.

Cost of Living

According to the ACCRA Cost of Living Index, the cost of living in Cochise County was slightly below the national average in 2009. The Council for Community and Economic Research in Arlington, VA administers the index, which measures relative price levels for consumer goods and

services in more than 320 participating areas in all 50 states. The index includes separate weighted sub-indices for grocery items, housing, utilities, transportation, healthcare, and miscellaneous goods and services.

The Cost of Living Index data indicate Cochise County's average annual cost of living in 2009 was 0.8 percent lower than the average for all participating places nationwide. This was down from 2008, when the cost of living locally was 0.2 percent above the national average.

Although Cochise County's cost of living was below the national average in 2009, some categories of cost were higher. This was most evident in housing costs, which include both home prices and rental rates. As home prices have held relatively steady locally, markets in other areas of the state and nation have seen steep declines. In 2007, the cost of housing in Cochise County was 5.4 percent below the national average. This rose to 3.1 percent above the national average in 2008 and 4.1 percent above the national average in 2009.

Transportation costs in Cochise County, which include gasoline and automobile maintenance, were also higher in 2009, relative to the rest of the nation. In 2008, transportation costs locally were only 0.9 percent higher than the national average. This rose to 2.6 percent above the national average in 2009.

COST OF LIVING COMPARISONS

	SIERRA VISTA- DOUGLAS MICRO AREA*	TUCSON	PHOENIX	FLAGSTAFF	LAKE HAVASU	PRESCOTT- PRESCOTT VALLEY	YUMA
2007	98.0	100.3	100.6	115.9	111.2	106.4	102.7
2008	100.2	99.6	101.1	118.3	112.2	107.2	105.4
2009	99.2	99.1	98.4	114.1	109.7	105.3	103.2

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

SIERRA VISTA/DOUGLAS MICROPOLITAN AREA COST OF LIVING

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANS PORTATION	HEALTH CARE	MISC. GOODS & SERVICES
2007	98.0	105.5	94.6	100.7	104.3	97.6	95.5
2008	100.2	104.9	103.1	97.7	100.9	100.5	96.4
2009	99.2	100.3	104.1	94.3	102.6	97.4	94.7

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

Another area where local costs were higher was grocery items, which were 0.3 percent above the national average in 2009. Although grocery items were higher locally than nationally, the gap has narrowed considerably in recent years. In 2007 groceries in Cochise County were 5.5 percent above the national average. This fell to 4.9 percent in 2008 and 0.3 percent in 2009.

All other components of the cost of living index in 2009 showed local costs below the national average. Healthcare costs were 2.6 percent below the national average—a reversal of 2008, which saw local costs 0.5 percent higher than nationally. The local cost of miscellaneous goods and services was 5.3 percent below the national average, down from 3.6 percent below national averages in 2008. The cost of utilities in Cochise County was 5.7 percent below the national average in 2009, a considerable drop from 2008, which saw local costs only 2.3 percent lower than nationally.

Statewide, there were seven places participating in the ACCRA Cost of Living Index in 2009. In addition to Cochise County, other participating areas were Flagstaff, Lake Havasu City, Phoenix, Prescott-Prescott Valley, Tucson, and Yuma. Of these, only Tucson and Phoenix had an overall cost of living that was lower than Cochise County. The highest cost of living in Arizona was in Flagstaff, which was 14.1 percent above the national average.

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

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. During Census 2000, 15.3 percent of all housing units in Benson were vacant “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 considerably to the city's culture, as well as its economy.

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 Enterprise Zone program provides for an income and premium tax credit for net increases in qualified employment positions at a site located in the enterprise zone, except for those at a business location where more than 10 percent of the activity is the sale of tangible personal property at retail. Tax credits may total up to \$3,000 per qualified employment position over three years, for a maximum of 200 employees in any given tax year. A qualified employment position is a fulltime permanent job (1,750 hours per year), pays an hourly wage above the "Wage Offer by County" (\$9.48 in 2010 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 5 years if it is: (1) either minority-owned, woman-owned, or small (as defined by Enterprise Zone program rules); and (2) makes an investment in fixed assets in the zone of \$500,000 (for cities with a population of less than 15,000) or \$1 million (for cities with a population between 15,000 and 80,000; in Cochise County this includes only Sierra Vista and Douglas as of 2009). For more information on the Enterprise Zone program, contact the Cochise County Enterprise Zone Administrator at (520) 432-9215 or by email at gmatter@cochise.az.gov, or the Arizona Enterprise Zone Administrator at (602) 771-1236, or visit www.azcommerce.com.

Rural Economic Development Initiatives

Benson is an Arizona Rural Economic Development Initiatives (REDI) accredited community. 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.

BENSON WEATHER

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

Source: The Weather Channel ©

BENSON TRANSACTION 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 February 1, 2010. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BENSON PROPERTY TAX RATES (PER \$100 ASSESSED VALUE), 2009-2010

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Benson	0.4645		0.4645
Benson Unified School District	3.6639	1.4612	5.1251
Cochise Joint Technical District		0.0500	0.0500
San Pedro Valley Hospital		0.9000	0.9000
Cochise County General Government*	2.6425		2.6425
Library*		0.1451	0.1451
Flood Control*		0.2597	0.2597
Cochise College*	1.6075		1.6075
Arizona Fire District Assistance Tax**		0.0873	0.0873
Arizona School District Assistance Tax**	0.3306		0.3306
TOTAL	8.7090	2.9033	11.6123

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

Tax Rates

PRIVILEGE TAX

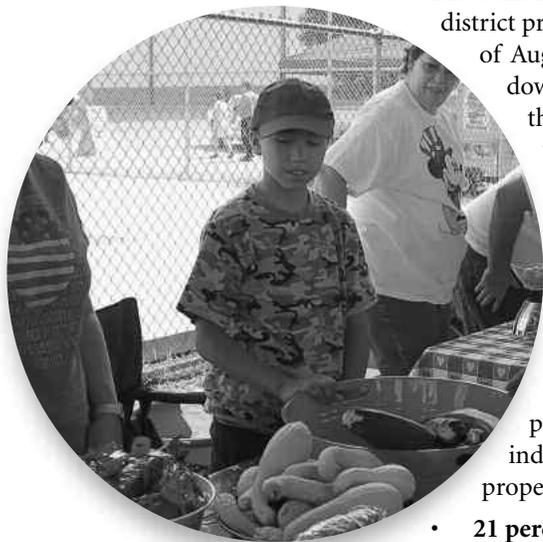
Sales (or transaction privilege) tax rates in Benson vary based on the category of sale and amount of purchase. City sales tax is added to a base of 6.1 percent, which includes county and state taxes, for most categories of sales. The general sales tax rate in Benson is 2.5 percent, for a total (city, county, and state) tax rate 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.

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 \$11.6123 per \$100 assessed value as of August 2009 (rates are established the third Monday in August each year). This was down from \$11.8511 the year prior. Lower property tax rates by many jurisdictions at the county and city levels were largely in response to an increase in property valuations, which brought in more revenue at lower rates. The property tax levied by the City of Benson for 2009-2010 was \$0.4645 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:

- **21 percent:** Mines and mining claim property, and standing timber; local telecommunications service, gas, water, and electric utility company property; pipeline company property producing oil; gas property; and commercial and industrial real property not included in other classes. The assessment ratio for property in this class is scheduled to decline incrementally, reaching 20 percent in 2011.
- **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; and improvements to commercial historic or historic residential rental property (for up to 10 years).



Crime Rate

The crime rate in Benson in 2008 was 32.6 crimes per 1,000 residents, down considerably from 53.5 in 2006 and 50.3 in 2007. From 2003 through 2006, the city’s crime rate increased each year. The year 2007 saw the first decline in several years, and was the city’s lowest crime rate since 2004. The crime rate in 2008 dropped even further.

The crime rate reflects data reported in the Federal Bureau of Investigation’s (FBI) Uniform Crime Report and includes violent crimes (murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault), property crimes (burglary, larceny-theft, and motor vehicle theft), and arson, which is reported separately.

The FBI issues the following caution when using crime rate data: To assess criminality and law enforcement’s response from jurisdiction to jurisdiction, one must consider many variables, some of which, while having significant impact on crime, are not readily measurable or applicable pervasively among all locales. Geographic and demographic factors specific to each jurisdiction must be considered and applied if one is going to make an accurate and complete assessment of crime in that jurisdiction. The U.S. Census Bureau data, for example, can be used to better understand the makeup of a locale’s population. The transience of the population, its racial and ethnic makeup, its composition by age and gender, educational levels, and prevalent family structures are all key factors in assessing and comprehending the crime issue. Understanding a jurisdiction’s industrial/economic base; its dependence upon neighboring jurisdictions; its transportation system; its economic dependence on nonresidents (such as tourists and convention attendees); its proximity to military installations, correctional facilities, etc., all contribute to accurately gauging and interpreting the crime known to and reported by law enforcement. The strength (personnel and other resources) and the aggressiveness of a jurisdiction’s law enforcement agency are also key factors in understanding the nature and extent of crime occurring in that area. For example, one city may report more crime than a comparable one, not because there is more crime, but rather because its law enforcement agency through proactive efforts identifies more offenses. Attitudes of the citizens toward crime and their crime reporting practices, especially concerning minor offenses, also have an impact on the volume of crimes known to police.

BENSON CRIME RATE (PER 1,000 RESIDENTS)

2004	45.8
2005	52.1
2006	53.5
2007	50.3
2008	32.6

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

CRIME RATE (PER 1,000 RESIDENTS), 2008

LOCATION	POPULATION	VIOLENT CRIME	PROPERTY CRIME	ARSON	TOTAL CRIME	CRIME RATE (PER 1,000 RESIDENTS)
United States	304,059,724	1,382,012	9,767,915	N/A	11,149,927	36.7
Arizona	6,629,455	29,059	278,920	N/A	307,979	46.5
Cochise County	139,434	N/A	N/A	N/A	N/A	*32.1
Benson	5,030	10	154	0	164	32.6
Bisbee	6,389	48	254	1	303	47.4
Douglas	18,207	31	656	1	688	37.8
Huachuca City	1,952	6	39	4	49	25.1
Sierra Vista	45,908	111	1,418	13	1,542	33.6
Tombstone	1,709	N/A	N/A	N/A	N/A	N/A
Willcox	3,904	15	173	10	198	50.7
Unincorporated Areas	56,336	446	1,027	10	1,483	26.3

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

Benson Middle School received an Arizona Learns rating of highly performing for the 2008-2009 school year



Education

Primary and Secondary Education

BENSON UNIFIED SCHOOL DISTRICT

The Benson Unified School District (BUSD) serves a geographic area that encompasses over 200 square miles. The district has four schools: Benson Primary School (preschool through grade 4), Benson Middle School (grades 5-8), Benson High School (grades 9-12), and San Pedro Valley High School (grades 9-12), which is a charter school sponsored by the district, using an alternative web-based instructional model. In 2009, BUSD employed 155 fulltime equivalent (FTE) employees making it the 28th largest employer in Cochise County and the third largest in Benson.

The district's average daily membership (ADM) increased from 947 students in 2004-2005 to 1,075 students in 2008-2009. ADM is a prime determinant of state-level funding. A recent demographic study commissioned by the district projected the district's population would increase considerably over the next several years, which would require the construction of new schools, with the first anticipated in 2012.

Arizona Learns, a program within the Arizona Department of Education, evaluates each Arizona school and assigns a rating with respect to the school's achievement in meeting or exceeding the Arizona Standards of Education. The ratings include excelling, highly performing, performing plus, performing, and underperforming. Ratings are issued each fall for the previous year. For the 2008-2009 school year, Benson High School, Benson Primary School, and Benson Middle School were each rated highly performing—the second highest rating possible. San Pedro Valley High School was rated performing—the highest rating an alternative high school can receive under the program.

In fiscal year 2009, the student/teacher ratio in BUSD was 15.9, which was below the statewide

average of 17.1. The average years of experience for teachers at BUSD in 2009 was 12.1, compared to 8.3 years statewide. The district's graduation rate in 2008 was 80 percent, compared to 75 percent statewide and 70 percent for schools within the same peer group.

BUSD spent an average of \$8,122 per student in 2009, compared to the statewide average of \$7,908 and a peer-group average of \$9,562. From 2005 to 2009, total spending per pupil increased by 17 percent. Spending in the classroom over the 5-year period declined from 57.4 to 55.8 percent.

In November 2007, BUSD received voter approval to renew two budget overrides. Voters also approved a \$9.3 million bond project. All three of the issues were strongly supported by the community and their passage has allowed Benson to undertake a series of improvements and maintain current programs and student/teacher ratios. For more information on BUSD, visit www.bensonsd.k12.az.us.

ST. DAVID UNIFIED SCHOOL DISTRICT

St. David Unified School District (SDUSD) consists of St. David Elementary School (preschool through grade 8) and St. David High School (grades 9-12). Under *Arizona Learns*, St. David High School was rated highly performing (the second highest rating possible) and St. David Elementary School was rated performing plus for the 2008-2009 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 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 have received gold, silver, and bronze medals at national competitions from 2007 to 2010; and the business program (DECA) had a first-time state winner at the national competition in April 2010. The district also offers an after-school literacy program and after-school tutoring for all levels, in addition to the traditional middle/high school athletic program and extracurricular activities. There are two preschool classes on campus for children ages 3 and 4. The district's weight room is open to the community during the week from 5:30 to 7:30 pm.

There are several ongoing projects between the district and community partners. The St. David Historical and Cultural Arts Society sponsors events to enable the district to continue to renovate its 1938 school building on campus. The St. David Farmer's Market encourages student participation and is the only market located on school property in Arizona. Recently, Apache Nitrogen provided a matching grant to the district for its new marquee.

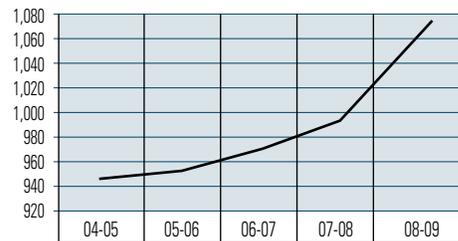
District-wide ADM—a prime determinant of state funding—increased from 434 students in 2004-2005 to 495 students in the 2005-2006 school year. Since then, ADM has declined, reaching 444 in 2008-2009.

**BENSON UNIFIED SCHOOL DISTRICT
ARIZONA LEARNS RATINGS**

SCHOOL	2008-2009	2007-2008
Benson High School (9-12)	Highly Performing	Excelling
Benson Middle School (5-8)	Highly Performing	Highly Performing
Benson Primary School (pre-K-4)	Highly Performing	Highly Performing
San Pedro Valley High School (9-12)*	Performing	Performing

*San Pedro Valley High School is a charter alternative high school sponsored by the Benson Unified School District; under Arizona Learns, the highest rating an alternative school may receive is performing. 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	2008-2009	2007-2008
St. David High School (9-12)	Highly Performing	Excelling
St. David Elementary School (pre-K-8)	Performing Plus	Performing Plus

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	2008-2009	2007-2008
New West Schools (K-8)	Performing	Performing Plus
Visions Unlimited Academy (K-8)	Performing	Performing

Source: Arizona Department of Education.

GREATER BENSON AREA PRIMARY AND SECONDARY SCHOOL ENROLLMENT

SCHOOL	2007/2008	2008/2009	2009/2010
Benson Unified School District	1,045	1,120	1,142
Benson High School (9-12)	364	377	364
Benson Middle School (5-8)	278	310	332
Benson Primary School (pre-K-4)	365	397	418
San Pedro Valley High School (9-12)*	38	36	28
St. David Unified School District	502	474	472
St. David High School (9-12)	139	137	127
St. David Elementary School (pre-K-8)	363	337	345

*San Pedro Valley High School is a charter alternative high school sponsored by the Benson Unified School District. Note: Figures reflect enrollment as of October 1 of each school year. Source: Arizona Department of Education.

PER PUPIL SPENDING BY FUNCTION

	BENSON UNIFIED SCHOOL DISTRICT	ST. DAVID UNIFIED SCHOOL DISTRICT	ARIZONA	UNITED STATES
Total	\$8,122	\$9,356	\$7,908	\$9,683
Classroom Dollars	\$4,532	\$5,413	\$4,497	\$5,903
Non-classroom Dollars	\$3,590	\$3,943	\$3,411	\$3,780
Administration	\$986	\$1,095	\$729	\$1,050
Plant Operations	\$1,133	\$1,073	\$920	\$951
Food Service	\$302	\$215	\$382	\$369
Transportation	\$439	\$325	\$343	\$406
Student Support	\$547	\$1,179	\$594	\$512
Instruction Support	\$183	\$56	\$431	\$470
Other	\$0	\$0	\$12	\$22

Note: Data for the Benson and St. David unified school districts and Arizona are from fiscal year 2009; national figures are from 2007. Source: State of Arizona, Office of the Auditor General.

In fiscal year 2009, the student/teacher ratio in SDUSD was 13.5, considerably below the statewide average of 17.1. The average years of experience for teachers at SDUSD in 2009 was 12.1, compared to 8.3 years statewide. The district's graduation rate in 2008 was 64 percent, compared to 75 percent statewide and 79 percent for schools within the same peer group.

SDUSD spent an average of \$9,356 per student in 2009, compared to the statewide average of \$7,908 and a peer-group average of \$10,596. From 2005 to 2009, total spending per pupil increased by 32 percent. Spending in the classroom over the 5-year period increased from 54.5 to 57.9 percent. Regarding Arizona's budget crisis and anticipated state cuts to education, the district superintendent noted that the district "prides itself in being fiscally responsible, and has been able to maintain a high level of educational opportunities in spite of previous years' budget concerns" but noted there was concern about the district's ability to maintain quality programs and staff in the future given the anticipated cuts.

SDUSD 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 SDUSD. 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. The district is planning for a new high school and a K-8 elementary school in 2015. For more information on SDUSD, visit www.stdavidschools.org.

Post-secondary Educational Opportunities

COCHISE COLLEGE

Cochise College is a two-year institution "serving the education needs of Cochise County, the State of Arizona, and the world." The college's academic programs include aviation, nursing, welding, computers, English, and Spanish. Its athletic programs draw students from the entire southwest United States and beyond. Students can

earn an associate degree and gain experience that will prepare them to complete a bachelor's degree at a four-year institution. Cochise College was established in 1961 as one of the first community colleges in Arizona.

Cochise College began offering evening classes in Benson at Benson High School in 1967. In 1998, the state provided \$1 million to support construction of the 13,000 square-foot Cochise College Benson Center, which opened in August 2000. The Benson Center has a 15-seat computer lab, a nursing lab, 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. The college also partners with Benson High School and St. David High School to provide dual credit and reverse credit classes to juniors and seniors. A full-time staff provides placement assessment, GED testing, advising, admissions, registration, and financial aid.

The center is located off Interstate 10 along State Route 90 in Benson, making it accessible to both Cochise and Pima counties. The Benson Center has designated space to provide computer training to area businesses and has partnered with several federal, state, and county agencies to provide meeting space for a fee. The Benson Center hosts numerous community and cultural events including live musical performances, movie screenings, and art exhibits. The facility is also available for rent for private events such as wedding receptions, banquets, and graduations. In 2009, the

Benson Center increased facility use by 18 percent over the previous year, with a total of 372 events and 11,300 total participants.

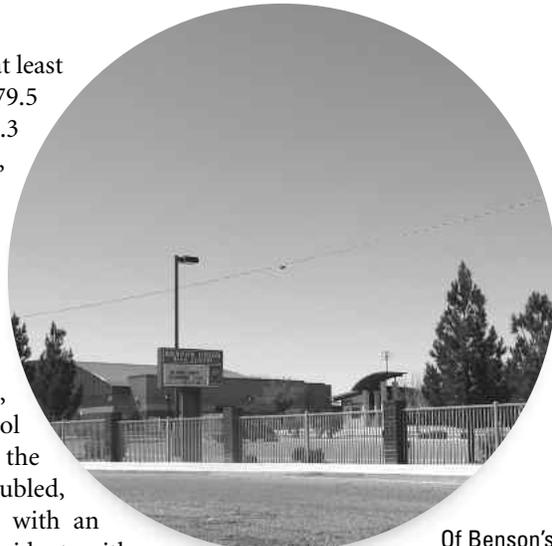
In addition to its Benson Center, the college offers classes in Bisbee, Douglas, Fort Huachuca, Sierra Vista, and Willcox in Cochise County and in Nogales in Santa Cruz County. Classes are also offered online. Cochise College is accredited by the Higher Learning Commission of the North Central Association. 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.

Educational Attainment

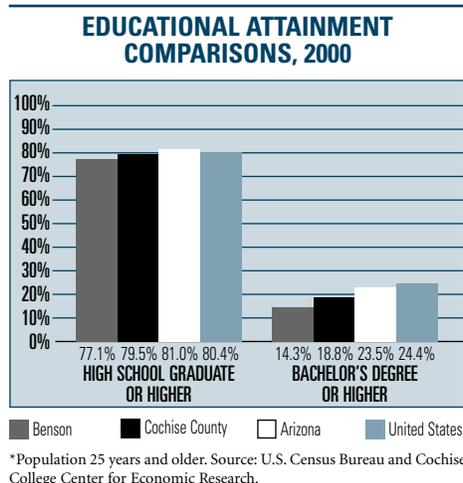
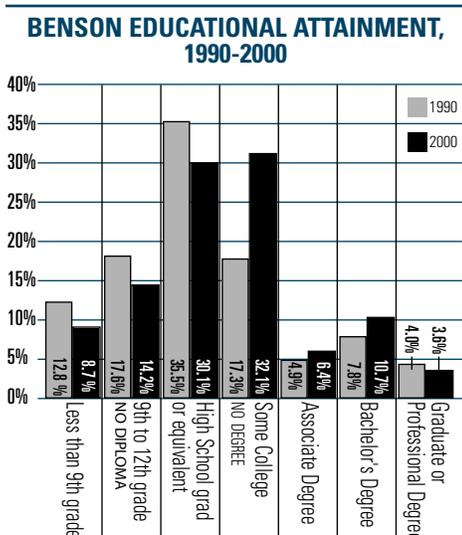
Of Benson’s population aged 25 years and older, 77.1 percent had at least a high school diploma or equivalent as of Census 2000, compared to 79.5 percent countywide and 81 percent statewide. Approximately 14.3 percent of Benson residents held a bachelor's degree or higher in 2000, compared to 18.8 percent 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 to 8.7 percent of the city’s population aged 25 years and older. At the same time, the proportion of city residents with a 9th to 12th grade education, but without a high school diploma, dropped from 17.6 to 14.2 percent; the proportion of high school graduates (or equivalent) decreased from 35.5 to 30.1 percent; and the proportion of residents with some college, but no degree, nearly doubled, increasing from 17.3 to 32.1 percent. The proportion of residents with an associate degree increased from 4.9 to 6.4 percent; the proportion of residents with a bachelor’s degree increased from 7.8 to 10.7 percent; and the proportion of residents with a graduate or professional degree declined from 4.0 to 3.6 percent. (Note: The education levels shown represent the highest level attained.)

The overall trend in educational attainment in Benson between 1990 and 2000 was toward higher levels of education, with most of the increase occurring in the proportion of residents having earned some college credit, but no degree. Strong growth was also seen in the proportion of residents who had earned an associate or bachelor’s degree.



Of Benson’s population aged 25 years and older, 77.1 percent had at least a high school diploma or equivalent



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

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

SEABHS is an at-risk provider for the Community Partnership of Southern Arizona



Healthcare

To learn more about Benson Hospital, visit the hospital's website at www.bensonhospital.org

Benson Hospital

Benson Hospital opened at its current site in 1970 as a small community hospital meeting the needs of patients in the area. Today, the majority of the hospital's care is provided through its emergency department due in large part to the hospital's location near the junction of Interstate 10 and State Routes 80 and 90, as well as changes in how society accesses healthcare. With the influx of hundreds of winter visitors and many new permanent residents, outpatient use of laboratory, radiology, and rehabilitation has increased considerably in recent years.

The staff at Benson Hospital includes six local physicians, a physician's assistant, a family nurse practitioner, and specialists in cardiology and hearing who see patients on specified days. Over the years, specialists in other areas of medicine including mammography, orthopedics, and rehabilitation have been available at the hospital campus. Availability of specialties varies with economic changes in healthcare.

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 emergency department was expanded to accommodate 8 beds, secured admitting, CT scanning, and an isolation room with separate entrance. An urgent care unit was in the planning stages as of mid-2009.

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

Benson Hospital has 22 acute-care beds, including four equipped with cardiac monitors. The most common diagnoses treated are cardiac and respiratory. On-site laboratory and radiology

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. Technical staff at the hospital includes certified technologists, technicians, and phlebotomists.

The hospital offers physical, occupational, and speech therapy to restore normal function, improve mobility, and help patients achieve a greater degree of independence. This care is provided in a variety of settings, including at the hospital, nursing homes, patient homes, and work sites in Benson and surrounding areas. Occupational therapists at the hospital use functional activities such as dressing, personal hygiene, and leisure interests to help patients achieve the highest level of independence in activities of daily living, as well as therapeutic modalities and exercise. 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. This includes testing in the areas of chemistry, blood banking, transfusion services, hematology, urinalysis, coagulation, toxicology, therapeutic drug monitoring, and limited microbiology. Testing not done at the hospital is collected and forwarded to an appropriate reference laboratory facility. The Benson Hospital laboratory is licensed and certified by the State of Arizona as a full service laboratory and is inspected for compliance by the Division of Laboratory Licensure. Physicians are notified of laboratory results by phone, fax, or hand-carried or mailed reports making it possible to serve the needs of patients from all locations within the hospital district and those who are seasonal visitors with primary care providers in other states. Most laboratory tests are done within 1 to 2 hours of specimen collection. The laboratory strives to have emergency lab results available within one hour.

Benson Hospital also provides a wide variety of outpatient services including chemotherapy, IV antibiotic administration and monitoring, injections, and EKGs. Outpatient programs include cardiology and hearing testing.

The 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 screening for nutritionally meaningful values, special needs, and patient education by a registered dietitian on a wide range of nutritional topics to promote healthy lifestyles.

Benson Hospital is one of the rural Arizona hospitals participating in Teletrauma with the University Medical Center (UMC) in Tucson. The program connects a highly trained trauma surgeon at UMC with the rural emergency physician by remote technology. The patient therefore has the benefit of immediate treatment from the rural physician and specialized consultation from the specialist who can communicate with both through telemetry. To learn more about Benson Hospital, visit the hospital's website at www.bensonhospital.org.

Good Samaritan Society—Quiburi Mission

The Good Samaritan Society—Quiburi Mission is a 60-bed Medicare-certified skilled nursing center located in Benson. The name Quiburi is a Sobaipuri Indian word meaning "houses." In addition to the skilled nursing center, Quiburi offers two apartments for seniors.

Quiburi Mission is owned and operated by the Evangelical Lutheran Good Samaritan Society, a Christian, not-for-profit organization founded in 1922. The Evangelical Lutheran Good Samaritan Society is headquartered in Sioux Falls, S.D., and operates more than 240 locations nationwide.



Benson Hospital provides 24-hour emergency care

The Good Samaritan Society provides shelter and supportive services to older persons and others in need. Services include activities onsite to residents; administration and storage of blood services offsite to residents; clinical laboratory services offsite to residents; dental services offsite to residents; dietary services onsite to residents and nonresidents; housekeeping services onsite to residents; mental health services onsite and offsite to residents; nursing services onsite to residents; occupational therapy services onsite to residents; pharmacy services onsite to residents; physical therapy services onsite to residents; physician services onsite to residents; podiatry services onsite and offsite to residents; social work services onsite to residents; speech/language pathology services onsite to residents; and diagnostic x-ray services offsite to residents. In June 2009, Quiburi Mission broke ground on a facility to house and treat persons in advanced

stages of Alzheimer's disease. For more information, visit www.good-sam.com or call (520) 586-2372.

Southeastern Arizona Behavioral Health Services

Southeastern Arizona Behavioral Health Services, Inc. (SEABHS) is a private, not-for-profit behavioral health organization serving adults and children from Cochise, Santa Cruz, Graham, and Greenlee counties. These four counties make up the geographic service area (GSA-3) for state planned and funded services. SEABHS maintains administrative offices, an outpatient location, a 24 hour psychiatric health facility, the Southeastern Arizona Substance Abuse Continuum, and the Partial Care Program/Housing in Benson.

SEABHS is an at-risk provider for the Community Partnership of Southern Arizona, one of the state's four regional

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

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

HOSPITAL MILEAGE CHART

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

Source: Cochise College Center for Economic Research.



St. David
Farmers
Market

Demographics

Population Estimates and Projections

The population of Benson as of July 2009 was 5,162, according to estimates by the Arizona Department of Commerce (ADOC). This represents a 2.6 percent increase from 2008 and a 9.6 percent increase since Census 2000. From 2007 through 2009, Benson was the fastest-growing city in Cochise County due to a surge in residential construction, which, despite the housing market downturn, remained well above historical levels. Although the population of Benson is 5,162, the Benson area includes nearby unincorporated areas that create a community of more than 12,500, according to ADOC. This includes the city of Benson, the unincorporated area of St. David, and surrounding areas.

With the recent spike in construction and several planned developments in the city, Benson is likely to remain one of the fastest-growing areas in the county over the next several 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 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 2 percent per year over the next few years, reaching 5,705 in 2014. According to ADOC projections, Cochise County's population will grow by an average annual rate of 1.7 percent over the next few years, reaching 156,247 in 2014. Benson's growth from 2007 through 2009 vastly 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

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%
2008	5,030	0.8%	139,434	1.6%	6,629,455	2.0%
2009	5,162	2.6%	140,263	0.6%	6,683,129	0.8%

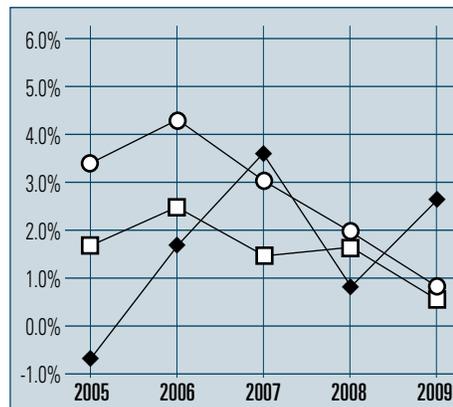
*Total growth over the period 1990-2000. Source: Figures for 1990 and 2000 obtained from the U.S. Census Bureau. Figures for 2001-2009 are estimates produced by the Arizona Department of Commerce.

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. Nationally, Hispanics/Latinos accounted for 12.5 percent of the population in 2000.

In 2000, Benson's population was 89.3 percent White; 0.7 percent Black or African American; 1.3 percent American Indian or Alaska Native; 0.5 percent Asian; 0.1 percent Hawaiian or other Pacific Islander; and 8.1 percent other (including two or more races combined). The largest changes in the racial composition of the city between 1990 and 2000 occurred in the segment of the population classifying themselves as "other," which increased considerably, and the segment classifying themselves as White, which decreased significantly.

The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanics. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. Shifts in racial and ethnic composition do not necessarily represent changing demographics alone, but may include differences in how residents choose to classify themselves.

POPULATION GROWTH COMPARISONS



◆ Benson
 □ Cochise County
 ○ Arizona

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

POPULATION PROJECTIONS

YEAR	BENSON	% GROWTH	COCHISE COUNTY	% GROWTH
2010	5,260	1.9%	146,037	1.9%
2011	5,371	2.1%	148,672	1.8%
2012	5,482	2.1%	151,258	1.7%
2013	5,594	2.0%	153,784	1.7%
2014	5,705	2.0%	156,247	1.6%

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

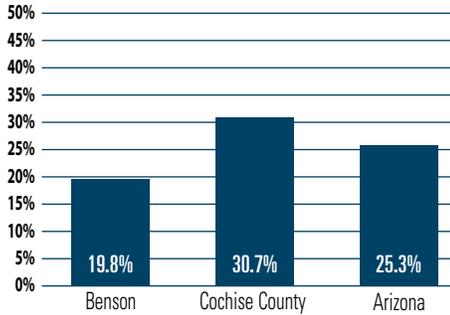
Age Groups

According to the U.S. Census Bureau, the median age of Benson's population in 2000 was 49.6 years, considerably higher than the median age of 36.9 years for all of 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. The largest age group in Benson in 2000 was the 65-74 year group, which accounted for 16.4 percent of the city's population. This was followed by the 45-54 year group at 12.4 percent, the 35-44 year group at 10.6 percent, and the 75-84 year group at 10.0 percent.

Household Characteristics

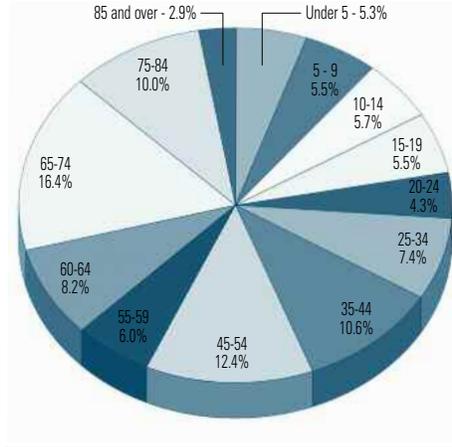
According to Census 2000 data, the average Benson household size that year was 2.22 persons, down from 2.37 in 1990. The declining household size in Benson is attributable to the growing population of those aged 55 or older

HISPANIC/LATINO POPULATION, 2000



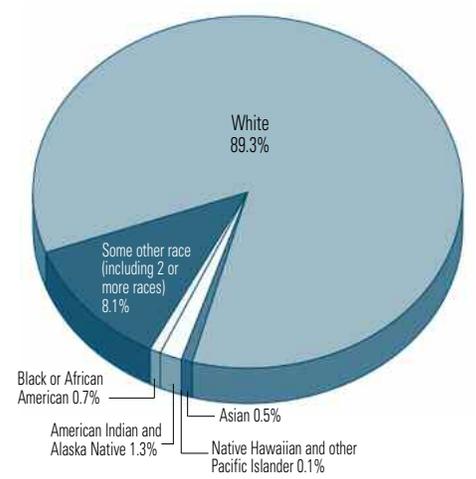
Note: The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanic. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. Source: U.S. Census Bureau and Cochise College Center for Economic Research.

BENSON AGE GROUP DISTRIBUTION, 2000



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

BENSON RACIAL GROUP DISTRIBUTION, 2000



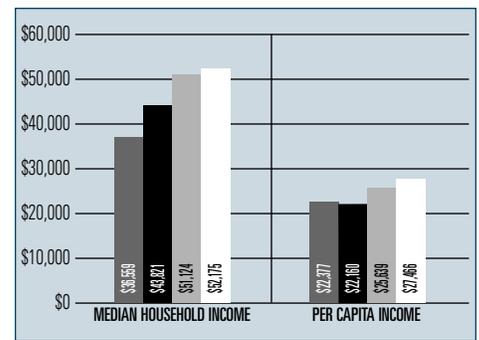
Note: Discrepancies are due to rounding. The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanic. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. Source: U.S. Census Bureau and Cochise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

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 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. 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 estimated median household income in Benson in 2008 was \$36,559, considerably below the countywide median of \$43,821 and the statewide level of \$51,124. Nationwide, the median household income in 2008 was \$52,175. The estimated per capita income in Benson in 2008 was \$22,377, compared to \$22,160 for the county, \$25,639 at the state level, and \$27,466 nationally. Although Benson's estimated household income is lower than the county level, its per capita income is higher due to smaller household sizes. Data for 2008 for the county, state, and national levels are from the U.S. Census Bureau's American Community Survey, 2006-2008 3-year estimates. Estimates for Benson are based on data collected by the Census Bureau in 1999, adjusted for inflation to 2008 dollars.

INCOME COMPARISONS, 2008



Source: National, state, and county figures are from U.S. Census Bureau, 2006-2008 American Community Survey 3-Year Estimates. City figures are from Census 2000, adjusted for inflation to 2008 dollars.

The opening of the Wal-Mart Supercenter created more than 200 new jobs



Employment

Employment, Unemployment, Labor Force, and Job Growth

In 2009, Benson's unemployment rate was 12.9 percent, according to estimates by the Arizona Department of Commerce (ADOC). This was considerably above the countywide rate of 7.4 percent and the statewide rate of 9 percent. Nationwide, the unemployment rate in 2009 was 9.3 percent. For the first 2 months of 2010, Benson's unemployment rate increased to a seasonally adjusted 13.6 percent, following the upward trend in unemployment at the county, state, and national levels. According to ADOC estimates, Benson's monthly unemployment rate for February 2010 hit 14.4 percent.

ADOC employment estimates for the individual cities in Cochise County are based on a model that pegs city employment to county-level employment based on data from Census 2000. The model does not pick up changes at the city level since 2000 that differ from trends at the county level. Cochise College Center for Economic Research (CER) focus group discussions in Benson indicate a healthier labor market than suggested by the ADOC estimates. Factors that have increased employment in Benson in recent years include the opening of the new Wal-Mart Supercenter in late 2006, which added more than 200 jobs to the city, and continued strength of residential and commercial construction in 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, June, July, August, and December while lower-than-average rates prevail in March, April, May, September, October, and November.

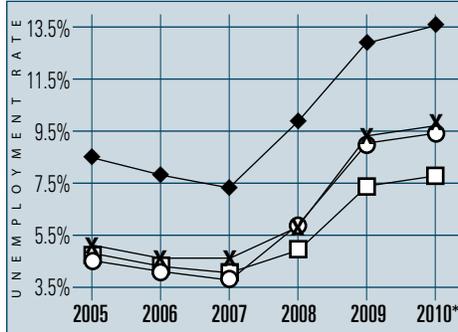
According to ADOC estimates, Benson's civilian labor force in 2009 consisted of 2,676 potential workers, of whom 2,331 were actually employed. The civilian labor force consists of those persons

UNEMPLOYMENT RATE

	BENSON	COCHISE COUNTY	ARIZONA	UNITED STATES
2005	8.5%	4.8%	4.6%	5.1%
2006	7.8%	4.4%	4.1%	4.6%
2007	7.3%	4.0%	3.8%	4.6%
2008	9.9%	5.3%	5.9%	5.8%
2009	12.9%	7.4%	9.0%	9.3%
2010*	13.6%	7.8%	9.4%	9.7%

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

UNEMPLOYMENT RATE



◆ Benson
 □ Cochise County
 ○ Arizona
 X United States

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

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

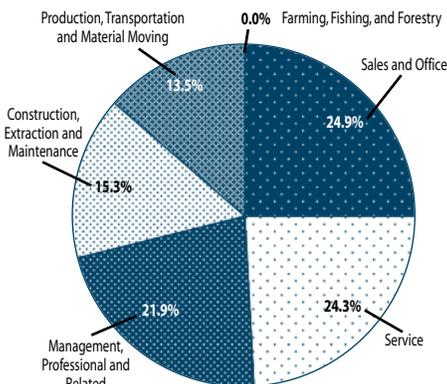
	CIVILIAN LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2005	2,299	2,103	196	38	1.8%
2006	2,348	2,164	184	61	2.9%
2007	2,363	2,191	172	27	1.2%
2008	2,527	2,276	251	85	3.9%
2009	2,676	2,331	345	55	2.4%

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

aged 16 years and older who either are employed or are actively seeking work, and excludes active duty military personnel. In addition to Benson’s labor force of 2,676, the city draws from the labor forces of surrounding communities, including St. David and other nearby unincorporated areas. Countywide, the 2009 civilian labor force, according to the ADOC estimates, included 63,225 actual or potential workers, of whom 58,575 were employed.

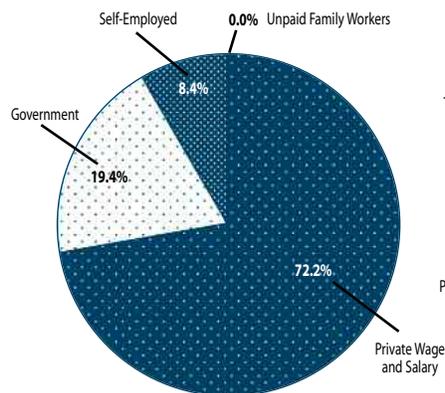
According to ADOC estimates, job growth in Benson in 2009 was 2.4 percent, reflecting a net gain of 55 jobs over the year. ADOC figures likely underestimate the number of jobs in the city. The opening of the Wal-Mart Supercenter in November 2006 created more than 200 new jobs in Benson. While there may 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.

BENSON OCCUPATIONS, 2000



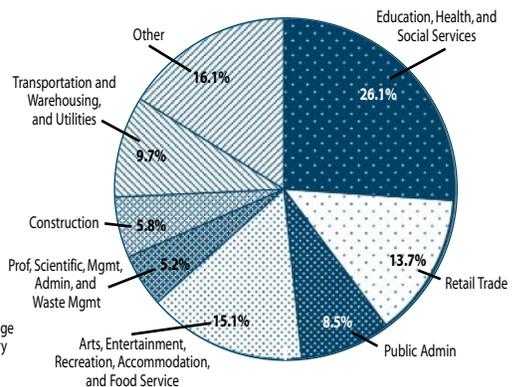
Source: U.S. Census Bureau and the Cochise College Center for Economic Research.

BENSON CLASSES OF WORKERS, 2000



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

INDUSTRIES IN BENSON, 2000 (BY SHARE OF WORKFORCE)



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

BENSON MONTHLY UNADJUSTED AND SEASONALLY ADJUSTED UNEMPLOYMENT RATES

		UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
2008	January	9.0%	7.9%
	February	8.6%	8.1%
	March	8.6%	8.6%
	April	8.1%	8.7%
	May	8.9%	9.8%
	June	9.9%	9.9%
	July	10.7%	10.1%
	August	10.8%	11.2%
	September	10.7%	11.3%
	October	10.8%	11.4%
	November	11.0%	11.6%
	December	11.9%	11.9%
2009	January	12.6%	11.4%
	February	13.0%	12.8%
	March	12.9%	13.1%
	April	12.1%	13.0%
	May	12.3%	13.4%
	June	13.6%	13.4%
	July	13.6%	12.7%
	August	13.1%	12.9%
	September	13.2%	13.2%
	October	12.9%	13.1%
	November	12.5%	12.9%
	December	12.6%	12.4%
2010	January	13.9%	12.7%
	February	14.6%	14.4%

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

Occupations and Classes of Workers

According to data collected during Census 2000, of those workers in Benson aged 16 years or older, 24.9 percent were employed in sales and office occupations, 24.3 percent were employed in service occupations, and 21.9 percent were employed in management, professional, and related occupations. Construction, extraction, and maintenance operations employed approximately 15.3 percent of Benson's workers, while production, transportation, and material moving occupations employed approximately 13.5 percent. Approximately 72.2 percent of Benson workers were private wage and salary workers as of Census 2000, while 19.4 percent were government workers. Self-employed workers in unincorporated businesses accounted for 8.4 percent of Benson workers.

Industries

The industry grouping employing the largest number of Benson workers, as of Census 2000, was educational, health and social services, which employed approximately 26.1 percent. This was followed by the arts, entertainment, recreation, accommodation, and food services industry grouping (15.1 percent); retail trade (13.7 percent); transportation and warehousing, and utilities (9.7 percent); public administration (8.5 percent); construction (5.8 percent); and professional, scientific, management, administrative, and waste management services (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.

BENSON'S TOP 10 EMPLOYERS, 2009

EMPLOYER	NUMBER OF FULLTIME EQUIVALENT (FTE) EMPLOYEES*
Arizona's G & T Cooperatives	325
Wal-Mart Supercenter of Benson	215
Benson Unified School District	155
Southeastern Arizona Behavioral Health Services, Inc.	144
Benson Hospital Corporation	125
Gas City/Holiday Inn Express	100
Quiburi Mission Samaritan Center	88
City of Benson	84
Apache Nitrogen Products, Inc.	82
Cochise County	53

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.

BENSON AREA BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2007

Number of establishments by employment-size class

INDUSTRY	1-4	5-9	10-19	20-49	50-99	100-249	250-499	TOTAL
Accommodation & food services	10	5	11	8	0	0	0	34
Admin, support, waste mgt, remediation services	5	0	1	0	1	1	0	8
Arts, entertainment & recreation	1	4	0	2	0	0	0	7
Construction	21	6	4	1	0	0	0	32
Educational services	3	0	1	0	0	0	0	4
Finance & insurance	5	3	0	0	0	0	0	8
Forestry, fishing, hunting, and agriculture	1	0	0	0	0	0	0	1
Health care and social assistance	13	3	3	1	3	1	0	24
Information	0	1	0	0	0	0	0	1
Management of companies & enterprises	1	0	1	0	0	0	0	2
Manufacturing	2	1	1	1	1	0	0	6
Other services (except public administration)	22	5	0	0	0	0	0	27
Professional, scientific & technical services	8	1	1	0	0	0	0	10
Real estate & rental & leasing	11	3	0	0	0	0	0	14
Retail trade	18	7	7	0	2	0	1	35
Transportation & warehousing	4	3	1	1	0	0	0	9
Utilities	0	0	1	1	0	1	0	3
Wholesale trade	5	1	0	0	0	0	0	6
TOTAL	130	43	32	15	7	3	1	231

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

Major Employers

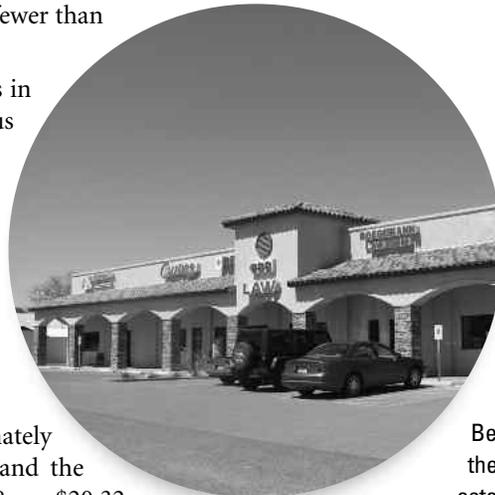
In 2009, Arizona's G & T Cooperatives remained the top employer in Benson based on the number of fulltime equivalent (FTE) employees. An FTE employee equals one fulltime or two part-time employees. Arizona's G & T Cooperatives employed 325 FTE employees in 2009. The second largest employer was Wal-Mart, which employed 215 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 144 FTE employees. Benson Hospital Corporation was fifth with 125. The list of top employers in Benson includes only those employers who responded to the CER's Annual Top Employers Survey, conducted in July each year.

Most private-sector employers in Benson are small businesses. According to the U.S. Census Bureau, nearly 90 percent of all business establishments in Benson employed fewer than 20 workers in 2007. More than half of all businesses employed fewer than 5 workers.

Between 2003 and 2007, the number of business establishments in Benson increased from 187 to 231, according to the U.S. Census Bureau. The number of private sector employees grew from 2,004 to 2,635, a 31.5 percent increase. From 2003 through 2007, the total annual payroll of businesses located in Benson increased from \$52.1 to \$81.3 million. On a per-employee basis, private-sector payrolls in Benson grew by 18.5 percent between 2003 and 2007, from \$26,017 to \$30,836. Inflation during this period was 12.7 percent.

	2003	2004	2005	2006	2007
No. of Business Establishments	187	203	207	230	231
Number of Employees	2,004	2,388	2,244	2,498	2,635
Annual Payroll (Thousands)	\$52,139	\$56,543	\$59,826	\$70,614	\$81,254
Annual Payroll Per Employee	\$26,017	\$23,678	\$26,660	\$28,268	\$30,836
Annual Payroll Per Employee Growth	10.0%	-9.0%	12.6%	6.0%	9.1%

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.



Between 2003 and 2007 the number of business establishments in Benson increased from 187 to 231

Wages

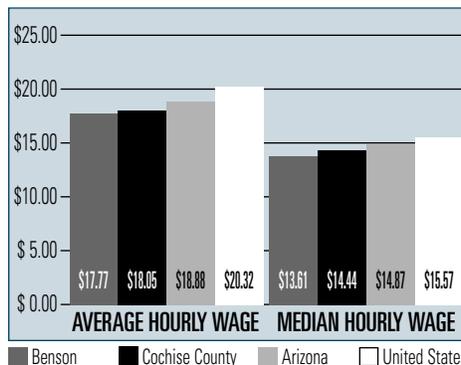
In 2008, the average wage per hour in Benson was approximately \$17.77, which was lower than the countywide average of \$18.05 and the statewide average of \$18.88. The national average hourly wage in 2008 was \$20.32. Annually, the average wage in Benson in 2008 was \$35,394, compared to \$37,543 for the county, \$39,280 for the state, and \$42,270 nationwide.

The average wage in Cochise County in 2008 was the fourth highest of Arizona's 15 counties, behind Greenlee, Maricopa, and Pima counties. Wages in Cochise County increased 3.6 percent in 2008, failing to keep pace with inflation, which was 3.8 percent.

In recent years, the gap has narrowed considerably between wages in Cochise County and the statewide average. In 2004, Cochise County wages were 8.9 percent below the statewide average. This narrowed to 4.3 percent in 2008. From 2000 to 2008, Cochise County wages increased by 32.9 percent, compared to 25 percent inflation during the same period. This reflects real wage growth (an increase in the purchasing power of wages) of 7.9 percent.

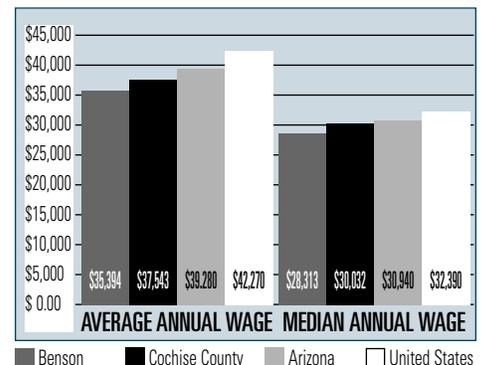
(Note: National wages are estimated by the U.S. Department of Labor, state and county figures are estimated by ADOC, and city figures are estimated by the CER.)

HOURLY WAGE COMPARISONS, 2008



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, 2008



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.

Cochise County Employment

In 2009, Cochise County lost 925 nonfarm jobs for job growth of -2.4 percent. The only industries to see positive job growth in 2009 were professional and business services, educational and health services, information, and the federal government. Professional and business services gained 125 jobs for annual job growth of 2.2 percent. Educational and health services gained 100 jobs for job growth of 2.4 percent. Information gained 75 jobs for job growth of 13 percent. Federal government gained 250 jobs for job growth of 5.1 percent. All other industries in Cochise County lost jobs in 2009. State and local government lost 100 jobs for annual job growth of -1.4 percent. Within the private sector, construction lost 425 jobs for job growth of -21 percent; manufacturing lost 125 jobs (-15.6 percent); trade, transportation, and utilities lost 475 jobs (-7.1 percent); financial activities lost 125 jobs (-11.4 percent); leisure and hospitality lost 200 jobs (-4.8 percent); and other services lost 50 jobs (-5.3 percent).

Outlook

If trends toward the end of 2009 continue, job losses at the county level will persist through the first quarter of 2010 and the second quarter of the year will begin to see job growth. Cochise County, because it is home to Fort Huachuca, will continue to be spared from the most damaging effects of the recession. Although the county has seen recessionary conditions since November 2007, the declines in economic activity have not been as steep as in other areas of the state. New residential construction in Benson remained strong from an historic perspective in 2008 and 2009, which should help curtail job losses in construction and related industries in the city. While job gains in federal government have helped cushion the county against the considerable losses in the private

sector, the worsening budget situation at the state level, combined with declining tax revenues locally, continues to threaten state and local government jobs.

COCHISE COUNTY NON-FARM PAYROLL EMPLOYMENT

	2009	2008	CHANGE	% CHANGE
Total Non-farm	37,550	38,475	-925	-2.4%
Total Private	25,075	26,175	-1,100	-4.2%
Goods Producing	2,250	2,800	-550	-19.6%
Construction*	1,600	2,025	-425	-21.0%
Manufacturing	675	800	-125	-15.6%
Service-Providing	35,300	35,675	-375	-1.1%
Private Service-Providing	22,825	23,350	-525	-2.2%
Trade, Transportation, and Utilities	6,250	6,725	-475	-7.1%
Information	650	575	75	13.0%
Financial Activities	975	1,100	-125	-11.4%
Professional and Business Services	5,750	5,625	125	2.2%
Educational and Health Services	4,350	4,250	100	2.4%
Leisure and Hospitality	3,950	4,150	-200	-4.8%
Other Services	900	950	-50	-5.3%
Government	12,475	12,300	175	1.4%
Federal Government	5,200	4,950	250	5.1%
State and Local Government	7,275	7,375	-100	-1.4%

*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.

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.



The industry with the largest number of firms was retail trade

Retail trade and commerce

The City of Benson’s location along Interstate 10 at the junctions of 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 State Route 90 (Exit 302) to State Route 80 (Exit 303) is the busiest stretch of highway in Cochise County, with an average annual daily traffic count of 29,682 in 2008. More vehicles pass through Benson along Interstate 10 each day than pass through the heart of nearby 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.

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

AVERAGE ANNUAL DAILY TRAFFIC COUNT, BENSON AREA

LOCATION	2004	2005	2006	2007	2008
I-10, Exit 297 to Exit 299	27,300	29,100	29,391	30,594	29,682
I-10, Exit 299 to Exit 302	31,500	30,000	30,703	31,109	29,475
I-10, Exit 302 to Exit 303	24,400	25,400	26,088	27,631	25,221
I-10, Exit 303 to Exit 304	15,900	16,800	17,440	16,871	16,601
I-10, Exit 304 to Exit 306	15,400	14,900	17,000	17,831	17,546
SR 80, SB-10(3) to Country Club Dr	6,900	9,100	10,095	10,448	10,291
SR 80, Country Club Dr to Apache Powder Rd (South)	7,000	6,400	7,351	7,585	7,471
SR 80, Apache Powder Rd (South) to ADOT Maintenance Yard Entrance	6,200	6,100	6,584	6,972	6,867
SR 80, ADOT Maintenance Yard Entrance to Judd St	6,400	4,300	4,627	4,952	4,878
SR 90, I-10 Exit 302 to Kartchner Caverns Main Entrance	8,800	9,400	9,670	9,660	9,515

Note: Figures for 2004 and 2005 are rounded to the nearest hundred. Source: Arizona Department of Transportation.

BENSON SALES TAX REVENUE BY INDUSTRY GROUP, 2009

INDUSTRY GROUP	SALES TAX REVENUE	SHARE OF TOTAL SALES TAX REVENUE
Retail Trade	\$1,742,789	55.1%
Construction	\$481,996	15.2%
Restaurant & Bar	\$307,469	9.7%
Accommodation	\$185,499	5.9%
Real Estate, Rental & Leasing	\$162,182	5.1%
Communications & Utilities	\$133,956	4.2%
Services	\$61,508	1.9%
Manufacturing	\$53,630	1.7%
Other	\$18,446	0.6%
Wholesale Trade	\$16,443	0.5%
Finance & Insurance	\$872	0.0%
Total	\$3,164,790	

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

BENSON RETAIL SALES TAX REVENUE

YEAR	TAX REVENUE	% CHANGE	INFLATION-ADJUSTED GROWTH
2005	\$1,109,813	9.0%	5.6%
2006	\$1,248,189	12.5%	9.3%
2007	\$1,817,323	45.6%	42.8%
2008	\$1,836,538	1.1%	-2.7%
2009	\$1,742,789	-5.1%	-4.7%

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

BENSON SALES TAX REVENUE COLLECTIONS, ANNUAL COMPARISON

INDUSTRY GROUP	2009	2008	GROWTH (\$)	GROWTH (%)
Restaurant & Bar	\$307,469	\$277,494	\$29,975	10.8%
Real Estate, Rental & Leasing	\$162,182	\$144,837	\$17,345	12.0%
Services	\$61,508	\$59,577	\$1,931	3.2%
Finance & Insurance	\$872	\$888	-\$16	-1.8%
Wholesale Trade	\$16,443	\$19,153	-\$2,710	-14.1%
Other	\$18,446	\$23,393	-\$4,947	-21.1%
Accommodation	\$185,499	\$198,034	-\$12,535	-6.3%
Communications & Utilities	\$133,956	\$148,441	-\$14,485	-9.8%
Manufacturing	\$53,630	\$81,626	-\$27,996	-34.3%
Retail Trade	\$1,742,789	\$1,836,538	-\$93,749	-5.1%
Construction	\$481,996	\$707,941	-\$225,945	-31.9%
TOTAL	\$3,164,790	\$3,497,922	-\$333,132	-9.5%

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

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 jurisdictions lacking such commercial facilities, tends to bring a decisively positive net economic benefit.

Benson/San Pedro Valley Chamber of Commerce

The Benson/San Pedro Valley Chamber of Commerce serves as an advocate to support and promote business in the greater Benson area. The chamber is a professional membership organization comprising local and regional businesses and individuals and represents the interests of its members. As of early 2010, the Benson chamber had 60 members, which was down considerably from a high of 200 members prior to the recent economic downturn. According to the chamber's executive director, much of the decrease in membership can be attributed to the economy and the collapse of the real estate market. The chamber helps coordinate services offered by the Cochise College Small Business Development Center for its members, including small business training, business plan development, and access to small business development funds. The chamber also promotes three festivals in Benson: Bluegrass in the Park in April, Christmas on Main Street in December, and Butterfield Days in October. According to the chamber's executive director, although Benson has many full service businesses there are numerous opportunities for additional service businesses to fill niches presently not filled. These include a cobbler and leather repair, entertainment (such as a full service bowling alley), Wi-Fi coffee shop, and other service businesses. For more information, call (520) 586-2842 or visit www.bensonchamberaz.com.

Taxable Sales

In 2009, the City of Benson collected \$3.2 million in sales tax revenue. This was down 9.5 percent, or \$333,000, from the previous year. Restaurant and bar sales generated the most new sales tax dollars for the city in 2009, increasing by 10.8 percent and bringing in an additional \$30,000. This was due primarily to the opening of Gracie's Station, a new restaurant in the city. The biggest decline was in construction, which saw revenue drop by 31.9 percent or \$226,000. The largest sales tax revenue generator for the city in 2009 was retail trade, which accounted for 55.1 percent of the total. This was followed by construction at 15.2 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 retail sales tax collections.

Benson's retail sales tax collections in 2009 were down 4.7 percent after adjusting for inflation. Declines in 2008 and 2009 were on the heels of a 42.8 percent jump in 2007, following the opening of the Wal-Mart Supercenter in the city. In the 12 months following the opening of Wal-Mart, the city's retail sales tax revenue increased by 45.6 percent, or an additional \$569,000. 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 income and creating approximately 415 jobs.

Restaurant and Bar Sales

Benson's restaurant and bar sales struggled from 2005 through 2008, declining each year in real, inflation-adjusted terms. In 2009, however, sales rebounded considerably, growing at a pace of 9.5 percent after adjusting for inflation. The strong performance is largely due to the opening of Gracie's Station, a new restaurant in the city. Benson's restaurant and bar sales in 2009 accounted for 9.6 percent of the countywide total, up from 8.8 percent in 2008.

Accommodation Receipts

In 2009, accommodation sales (hotel, motel, and other temporary lodging stays of less than 30 days) in Benson totaled \$4.1 million, down 5.5 percent from the year prior, after adjusting for inflation. Despite the decline, Benson's accommodation receipts in 2009 accounted for 10 percent of the countywide total, up from 9.6 percent in 2008. Benson continues to capture a relatively large share of the county's accommodation market due to its location along Interstate 10, which makes it a convenient overnight stop, as well as the city's close proximity to Kartchner Caverns.

Business Establishments

According to the U.S. Census Bureau, as of 2007 there were 231 business establishments located in the Benson area (zip code 85602). The industry with the largest number of firms was retail trade with 35, followed closely by accommodation and food services (34), construction (32), other services (27), health care and social assistance (24), and real estate and rental and leasing (14).

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 due to geographical and other differences, but they provide a more recent picture of changes in business activity. The number of active business licenses in Benson increased by more than 20 percent each year from 2005 through 2008. In April 2009, active business licenses in the city were up 2.3 percent compared to the same month a year prior.

Outlook

Benson's retail sales tax revenue continued to decline in the second half of 2009 and into January 2010; however, the pace of decline began to slow in the second half of 2009 with some sporadic growth. After declining for 9 straight months, retail sales tax revenue was up in September and November 2009. Recent trends suggest the city's retail

BENSON RESTAURANT & BAR SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2005	\$10,746,000	10.9%	7.5%
2006	\$10,974,200	2.1%	-1.1%
2007	\$10,943,520	-0.3%	-3.1%
2008	\$11,297,360	3.2%	-0.6%
2009	\$12,328,920	9.1%	9.5%

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

BENSON ACCOMMODATION SALES

YEAR	TOTAL REVENUE	% CHANGE	INFLATION-ADJUSTED GROWTH
2005	\$3,465,444	12.6%	9.2%
2006	\$3,775,756	9.0%	5.8%
2007	\$4,546,022	20.4%	17.6%
2008	\$4,379,289	-3.7%	-7.5%
2009	\$4,123,200	-5.8%	-5.5%

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

BENSON SHARE OF COCHISE COUNTY SALES

CATEGORY	2006	2007	2008	2009
Restaurant & Bar	9.1%	8.9%	8.8%	9.6%
Accommodation	10.7%	10.5%	9.6%	10.0%

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

sales will see continued instability through the first half of 2010 and should stabilize and begin to see growth in the second half of the year. On the whole, retail sales tax revenue in 2010 is likely to break even with 2009 levels or increase slightly.

Benson's restaurant and bar sales were strong in 2009, due largely to the opening of Gracie's Station, a new restaurant in the city. As a result, sales in 2009 overall were 9.5 percent higher than in 2008. In 2010, sales levels will be compared to the higher base established in 2009; thus, sales levels in 2010 are likely to break even with those in 2009, or decline slightly.

Although Benson's accommodation sales overall were down 5.5 percent in 2009, most of the decline was in the first half of the year. In the 6 months from August 2009 through January 2010, sales were up in 5 of 6 months and saw double-digit growth in 3 of the 6 months. Recent trends suggest the city's accommodation sales have recovered from recessionary conditions that began in the second half of 2008, and will see positive growth in 2010.

BENSON BUSINESS ESTABLISHMENTS

INDUSTRY	2003	2004	2005	2006	2007
Accommodation & food services	31	34	33	35	34
Admin, support, waste mgt, remediation services	5	5	6	8	8
Arts, entertainment & recreation	5	6	6	6	7
Construction	18	19	25	31	32
Educational services	1	2	2	3	4
Finance & insurance	5	5	5	7	8
Forestry, fishing, hunting, and agriculture	0	0	0	1	1
Health care and social assistance	20	23	25	26	24
Information	3	3	2	2	1
Management of companies & enterprises	1	1	2	2	2
Manufacturing	3	4	5	6	6
Other services (except public administration)	24	23	23	26	27
Professional, scientific & technical services	9	10	6	9	10
Real estate & rental & leasing	14	16	17	16	14
Retail trade	30	33	32	34	35
Transportation & warehousing	9	11	10	8	9
Unclassified establishments	2	1	0	2	0
Utilities	4	4	4	4	3
Wholesale trade	3	3	4	4	6
TOTAL	187	203	207	230	231

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

BENSON ACTIVE BUSINESS LICENSES

YEAR	ACTIVE BUSINESS LICENSES	% CHANGE
2005	450	—
2006	541	22.9%
2007	665	25.0%
2008	831	20.2%
2009	850	2.3%

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



New
housing in
Benson

Housing, real estate, and commercial construction

New Residential Construction

There are 12 residential developments currently underway or planned for the Benson area. The largest of these is The Canyons at Whetstone where the construction of 660 to 730 units is planned. Approximately 350 lots were platted as of late 2009, with utilities available and ready for purchase and construction. Other large scale developments include San Pedro Golf Estates with 224 units and Kartchner Vistas with 201 units. Combined, the 12 developments will add nearly 1,700 homes to the area based on current plans. Developers have looked to Tucson to the west and Sierra Vista/Fort Huachuca to the south to provide a market for new homes built in the Benson area.

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 step toward build-out of the several planned developments when the City of Benson issued 104 new single family residential home permits. The number of permits dropped significantly in 2007, with only 25 issued. Although the number of permits fell considerably, it remained high from an historical perspective. In the 5 years from 2001 through 2005, the city issued a combined total of only 12 new home permits. In 2008, new home permits rebounded to 64. Although permits were down by more than 40 percent in 2009, with only 38 permits issued, they remained high relative to historical trends from 2005 and earlier.

Countywide, new residential construction was down in 2009. There were 296 new home permits issued throughout Cochise County in the first 10 months of 2009, down 17.1 percent from the same period of 2008. This followed annual declines of 18.8, 47.6, and 14.4 percent in 2006, 2007, and 2008, respectively. Although permits countywide were down from January through October

PLANNED DEVELOPMENTS IN THE BENSON AREA

SUBDIVISION	UNITS
The Canyons at Whetstone I, II, & III	660
San Pedro Golf Estates	224
Kartchner Vistas	201
Cottonwood Highlands	170
San Pedro Vista	121
Cottonwood Bluffs	100
Water Crest	53
La Cholla Heights	45
House Ridge Estates	33
Turquoise Hills	31
Old Homestead	26
La Mesa San Pedro	13
TOTAL	1,677

Note: As of July 2009. Developments are in various stages of planning and/or construction. Source: City of Benson.

NEW HOME PERMITS (SINGLE FAMILY RESIDENTIAL)

	COCHISE COUNTY		BENSON	
	PERMITS	CHANGE	PERMITS	CHANGE
2002	653	—	3	—
2003	926	41.8%	0	-100.0%
2004	1,046	13.0%	2	—
2005	1,108	5.9%	5	150.0%
2006	900	-18.8%	104	1,980.0%
2007	472	-47.6%	25	-76.0%
2008	404	-14.4%	64	156.0%
2009	*296	*-17.1%	38	-40.6%

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

MANUFACTURED HOME PERMITS CITY OF BENSON

YEAR	NUMBER OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE
2003	14	\$40,714	--
2004	19	\$48,179	18.3%
2005	45	\$35,056	-27.2%
2006	43	\$41,321	17.9%
2007	37	\$40,598	-1.7%
2008	22	\$34,591	-14.8%
2009	10	\$20,795	-39.9%

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

EXISTING HOME SALES, COCHISE COUNTY

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	1,825	—	\$139,900	—	97.3%	\$87.70	—	114
2005	2,097	14.9%	\$173,900	24.3%	98.1%	\$106.89	21.9%	111
2006	1,675	-20.1%	\$192,569	10.7%	97.5%	\$119.78	12.1%	116
2007	1,500	-10.4%	\$195,000	1.3%	96.1%	\$115.68	-3.4%	136
2008	1,184	-21.1%	\$184,000	-5.6%	95.4%	\$109.95	-5.0%	151
2009	1,162	-1.9%	\$182,500	-0.8%	95.3%	\$105.44	-4.1%	149

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 and/or the Tucson Area Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service, Tucson Area Multiple Listing Service, and Cochise College Center for Economic Research.

EXISTING HOME SALES, BENSON

YEAR	SALES VOLUME	CHANGE IN SALES VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE DAYS ON MARKET
2004	152	—	\$80,250	—	113
2005	143	-5.9%	\$100,000	21.6%	67
2006	144	0.7%	\$128,950	29.0%	89
2007	143	-0.7%	\$160,000	24.1%	109
2008	103	-28.0%	\$145,000	-9.4%	128
2009	101	-1.9%	\$155,000	6.9%	108

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 and/or the Tucson Area Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service, Tucson Area Multiple Listing Service, and Cochise College Center for Economic Research.

2009, when compared to the same period of 2008, permits in the third quarter of 2009 were 29.6 percent higher than in the third quarter of 2008 and were up in each month of the third quarter and into October. Strong performance from July through October may signal the beginning of the recovery of the countywide new home market.

Countywide new home permit data for 2009 are available through October only. In recent years, these data have been provided by Bright Future Business Consulting of Tucson, which ceased collecting and providing data for Cochise County in late 2009. At the time this publication went to print, the Cochise College Center for Economic Research (CER) was working to take over collection and publication of these data for November 2009 onward.

La Habra Apartments

In 2008 and 2009, the 48-unit La Habra Apartments—an affordable housing complex located along State Route 80 in Benson—was constructed. The project was developed under a low-income tax credit program through the Arizona Housing Finance Authority and tenancy is limited to low-income residents. The majority of units are 920 square-foot, 2-bedroom, 1-bath units, with a smaller number of 3-bedroom, 2-bath units. Monthly rental rates in 2009 ranged from \$330 to \$630. The development includes a community building with free internet access, a playground, fitness center, and laundry facility (each unit also has a washer and dryer hookup).

Existing Home Sales

In 2009, the number of existing homes (including site-built, manufactured, and mobile homes, as well as townhouses and condominiums) sold in Benson fell by 1.9 percent, after declining by 28 percent in 2008. The median price of a home sold in Benson

was up 6.9 percent in 2009, after declining 9.4 percent in 2008. Despite the decline in the median home price in 2008, prices that year remained more than 75 percent higher than in 2004. The median home price in 2009 was nearly 90 percent higher than in 2004. In 2009, the largest share of homes sold (25.7 percent) in Benson were priced between \$163,000 and \$202,250. This was followed by homes priced between \$45,250 and \$84,500, which accounted for 17.8 percent of all sales. The average home sold in Benson in 2009 was on the market for 108 days, down from 128 days the year prior.

In Cochise County, existing home sales were down by 1.9 percent in 2009, after declining by 20.1, 10.4, and 21.1 percent in 2006, 2007, and 2008 respectively. The volume of homes sold in Cochise County in 2009 was 44.6 percent below the housing market peak reached in 2005. The median price of a home sold in Cochise County was down 0.8 percent in 2009, following a 5.6 percent decline the year prior. From 2004 through 2007, the median home price countywide increased by 39.4 percent; from 2007 through 2009, it dropped by 6.3 percent. Despite the decline from 2007 through 2009, the median home price in 2009 remained more than 30 percent higher than in 2004.

Countywide, the average price per square foot, which takes into account changes in price related to the size of homes sold, fell by 4.1 percent in 2009, following declines of 3.4 and 5 percent in 2007 and 2008, respectively. From 2004 through 2006, the average price per square foot of homes sold in Cochise County increased by 36.6 percent. From 2006 through 2009, the price fell by 12 percent. The relatively larger decline in average price per square foot, compared to the median price, suggests the relatively milder decline in the median price was due in part to larger homes being sold from 2007 through 2009 than in previous years. The average home in Cochise County sold for 95.3 percent of the asking price, which was relatively unchanged from 2008. The average home that sold was on the market for 149 days, down only slightly from 151 in 2008.

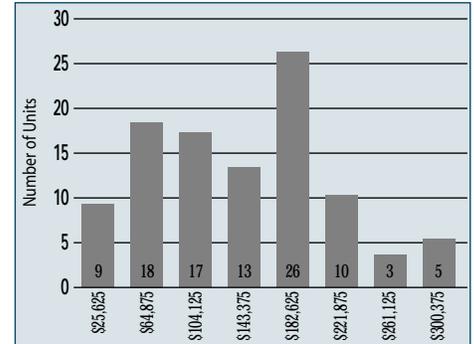
In previous years, home sale data for Benson and Cochise County included in this publication was limited to property listed on the Southeast Arizona Multiple Listing Service (SAMLs). While countywide this covered the majority of sales, it posed a problem for the Benson area since several Benson-area realtors list their properties exclusively on the Tucson Area Multiple Listing Service (TAMLS). Beginning in 2010, sales in the Benson area listed on TAMLS are included in this publication, providing a more accurate picture of Benson home sales. TAMLS data were integrated with SAMLs data for Benson sales, with duplicates removed, for the years 2004 onward. At the county level, TAMLS data were integrated for sales volume only; price and days on market data at the county level reflect only sales listed on SAMLs for 2004 through 2009.

Housing Affordability

The CER's Housing Affordability Index (HAI) gauges whether a family with the area's median income would qualify for a mortgage on a median-priced home. In 2009, the estimated median family income for Benson was \$53,778 and the median home price was \$155,000. In calculating the HAI, the CER considers the average effective interest rate (contract rate plus fees) on a fixed, 30-year conventional mortgage as reported by the Federal Housing Finance Board. In 2009, this rate was 5.18 percent.

The HAI for Benson in 2009 was 165.0. In interpreting the HAI, an index reading 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). A reading 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. Benson's HAI of 165.0 indicates that a family with the median income had 165 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced, single-family home.

BENSON HOME SALES, 2009



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 and/or the Tucson Area Multiple Listing Service. Prices shown are midpoint prices; each bin represents a price range of \$39,250 (+/- \$19,625 from midpoint price shown). Source: Southeast Arizona Multiple Listing Service, Tucson Area Multiple Listing Service, and Cochise College Center for Economic Research.

BENSON DISTRIBUTION OF EXISTING HOME PRICES, 2009

MINIMUM PRICE	MAXIMUM PRICE	MIDPOINT PRICE	NUMBER OF HOMES	PERCENT OF TOTAL HOMES
\$6,000	\$45,250	\$25,625	9	8.9%
\$45,250	\$84,500	\$64,875	18	17.8%
\$84,500	\$123,750	\$104,125	17	16.8%
\$123,750	\$163,000	\$143,375	13	12.9%
\$163,000	\$202,250	\$182,625	26	25.7%
\$202,250	\$241,500	\$221,875	10	9.9%
\$241,500	\$280,750	\$261,125	3	3.0%
\$280,750	\$320,000	\$300,375	5	5.0%

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 and/or the Tucson Area Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service, Tucson Area Multiple Listing Service, 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	\$82,250	\$65,800	6.02%	\$395	219.1
2005	\$42,840	\$100,000	\$80,000	6.08%	\$484	184.4
2006	\$44,131	\$128,950	\$103,160	6.63%	\$661	139.1
2007	\$46,760	\$160,000	\$128,000	6.24%	\$787	123.8
2008	\$50,269	\$145,000	\$116,000	6.18%	\$709	147.7
2009p	\$53,778	\$155,000	\$124,000	5.18%	\$679	165.0

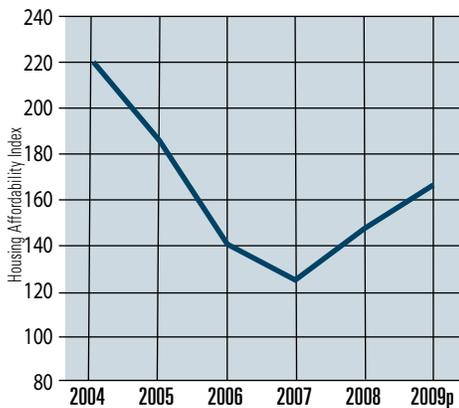
p = preliminary. Note: Based on the median homes price for residential homes (site built, manufactured homes, mobile homes, townhouses, and condominiums) sold on Southeast Arizona Multiple Listing Service and/or Tucson Area Multiple Listing Service. Presumes a 30-year conventional fixed-rate mortgage, a 20 percent down payment, and a 25 percent qualifying income ratio (principal and interest only). Source: Cochise College Center for Economic Research.

From 2004 to 2007, homes became decisively less affordable in Benson, with the HAI falling from 219.1 to 123.8. This reversed in 2008 and 2009 with the HAI climbing to 147.7 and 165.0, respectively, as a result of increasing family incomes, declining home prices, and falling interest rates. While declining housing affordability is a concern, its effect is not always negative. An excessively high HAI might indicate a lack of housing suitable for working professionals. Such a situation makes it difficult for 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 219.1 in 2004, before the city's construction boom.

Commercial Construction

The years 2006 and 2007 saw a boom in commercial construction in Benson with more than \$16 million in new commercial construction investment in the city. This was led by the construction of the Wal-Mart Supercenter, which opened in November 2006. Since then, new commercial construction in the city has slowed considerably.

BENSON HOUSING AFFORDABILITY INDEX



p = preliminary. Note: Based on the median homes price for residential homes (site built, manufactured homes, mobile homes, townhouses, and condominiums) sold on Southeast Arizona Multiple Listing Service and/or Tucson Area Multiple Listing Service. 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.

Outlook

New home construction in Benson is likely to remain well above historic levels, although year-to-year figures are likely to see continued instability until the national and state economies are on firm footing toward recovery. Benson has long been eyed by developers for large-scale master planned communities due to its geographical location roughly halfway between Sierra Vista and Fort Huachuca to the south and Tucson to the west. The large number of entitlements resulting from rezoning in the 1990s will continue to make the location attractive to developers. The area's climate and proximity to services will continue to lure new residents.

Countywide, new home construction likely hit bottom in 2008 and remained there into the first half of 2009. Although permits were down overall from January through October 2009, when compared to the same period of 2008, permits in the third quarter of 2009 were 29.6 percent higher than in the third quarter of 2008 and permits were up in each month of the third quarter and into October. The strong performance in the latter part of 2009 may signal the beginning of a recovery for new construction countywide.

The existing home market in Benson likely bottomed out in 2008 and is on a path of recovery. Countywide, the market likely bottomed out in 2008 and remained there well into 2009. In the fourth quarter of 2009, however, sales at the county level were up more than 20 percent compared to the fourth quarter of 2008, which may signal the beginning of a recovery. Moderate growth in 2010 and beyond seems the most likely scenario at both the county level and in the Benson area. Home prices both in the Benson area and countywide should continue to hold relatively steady.

With no new large-scale projects on the immediate horizon, commercial construction in Benson is likely to remain low in 2010 and 2011. However, several commercial developers have expressed interest in the area and there is likely to be another wave of commercial development in the city once the economy is on a firm path of recovery. As residential development in the area continues to grow, commercial development is likely to continue to follow.

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
2008	2	\$908,706
2009	4	\$399,700

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



National Bank of Arizona

Bank deposits and bankruptcy filings

Bank Deposits

Benson is served by two banks: National Bank of Arizona and Bank of America. Bank deposits in Benson in 2009 totaled \$88.7 million, up 6 percent from 2008. Slow growth in 2007 and a decline in 2008 were on the heels of a 17.3 and 15.2 percent increase in 2005 and 2006, respectively. The increase in 2005 was the largest rate of growth in the city’s bank deposits on record, and the 2006 increase was second, with records going back to 1994.

Bank deposits in Cochise County surged 25.4 percent to \$1.3 billion in 2008, led by a 54.4 percent surge in Sierra Vista due primarily to an increase in deposits to Bank of America as a result of its acquisition of Countrywide Financial and Merrill Lynch. Deposits at the county level returned to normal levels in 2009. Excluding the surge in 2008, deposits in Cochise County in 2009 were down 3.2 percent from 2007.

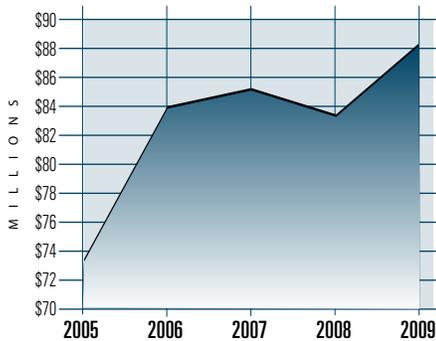
In 2009, bank deposits in Benson accounted for 8.9 percent of total deposits in the Cochise County market, up from 6.5 percent in 2008 and 8.3 percent in 2007. The decline in market share in 2008 was due to a combination of the drop in deposits in Benson and the surge in deposits in Sierra Vista, which pushed up county-level figures. (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 ended June 30.)

BANK DEPOSITS

YEAR	BENSON		COCHISE COUNTY	
	AMOUNT	CHANGE	AMOUNT	CHANGE
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%
2008	\$83,635,000	-2.3%	\$1,295,970,000	25.4%
2009	\$88,687,000	6.0%	\$1,000,155,000	-22.8%

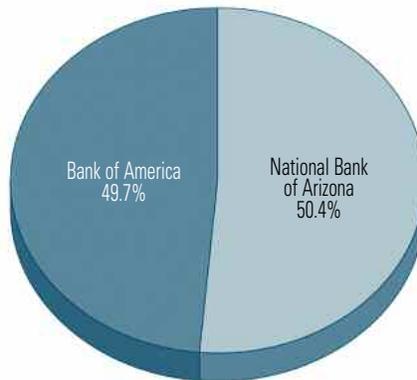
Note: Data reflect total deposits in the 12 months ended June 30 each year. Source: Federal Deposit Insurance Corporation and Cochise College Center for Economic Research.

BENSON BANK DEPOSITS



Note: Data reflect total deposits in the 12 months ended June 30 each year. Source: Federal Deposit Insurance Corporation and Cochise College Center for Economic Research.

BENSON BANK DEPOSITS, MARKET SHARE (CITY), 2009



Note: Data reflect total deposits in the 12 months ended June 30 each year. Source: Federal Deposit Insurance Corporation and Cochise College Center for Economic Research.

BENSON BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET

YEAR	SHARE OF COCHISE COUNTY MARKET
2005	8.1%
2006	8.2%
2007	8.3%
2008	6.5%
2009	8.9%

Note: Data reflect total deposits in the 12 months ended June 30 each year. Source: Federal Deposit Insurance Corporation and Cochise College Center for Economic Research.

Bankruptcy Filings

In 2009, there were 339 bankruptcies filed from within Cochise County, up 44.9 percent from 2008. This was on the heels of a 42.9 percent increase in 2007 and a 30 percent increase in 2008. Adjusting for population size, Cochise County's bankruptcy rate in 2009 increased to 2.42 bankruptcies per 1,000 residents, up from 1.68 in 2008. Sharp increases in bankruptcy filings in Cochise County from 2007 through 2009 followed a decline of 79.7 percent in 2006.

Despite the increases in recent years, bankruptcy filings per 1,000 residents in 2009 remained well below historic levels at the national, state, and local levels. The decline in 2006, which pushed bankruptcies to historic lows, was due primarily to the implementation of the Bankruptcy Abuse Prevention and Consumer Protection Act, which took effect in October 2005. The act requires that most individual debtors complete a special briefing from an approved credit counseling agency before filing for bankruptcy. The increases from 2007 through 2009, in addition to the worsening economic conditions caused by the 2007-2009 recession, likely reflect a societal adjustment to the credit counseling requirements of the 2005 legislation. The year 2006 was the first full year the new requirements were in place, leading to the dramatic drop in filings that year.

In 2009, bankruptcy filings at the county level remained considerably below those at the state and national levels. Cochise County's bankruptcy rate in 2009 was 47.8 percent below the state level and 47 percent below the national level, reflecting a relatively healthy environment for lending and borrowing in Cochise County.

COCHISE COUNTY BANKRUPTCY FILINGS

YEAR	POPULATION	TOTAL FILINGS	FILINGS PER 1,000 POP.
2005	131,790	620	4.70
2006	135,150	126	0.93
2007	137,200	180	1.31
2008	139,434	234	1.68
2009	140,263	339	2.42

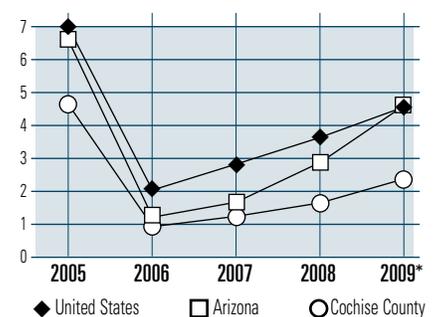
Source: U.S. Bankruptcy Court; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS (PER 1,000 RESIDENTS)

YEAR	COCHISE COUNTY	ARIZONA	UNITED STATES
2005	4.70	6.62	7.01
2006	0.93	1.24	2.07
2007	1.31	1.68	2.66
2008	1.68	2.95	3.68
2009*	2.42	4.64	4.57

*Cochise County data are for calendar year 2009; state and national data reflect the 12 months ended September 30, 2009. Source: U.S. Bankruptcy Court; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research

BANKRUPTCY FILINGS (PER 1,000 RESIDENTS)



*Cochise County data are for calendar year 2009; state and national data reflect the 12 months ended September 30, 2009. Source: U.S. Bankruptcy Court; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research.



The Douglas port of entry is located approximately 75 miles southeast of Benson

Mexico

Overview

Cochise County's economy is significantly impacted by that of Mexico. The 82-mile shared border between Cochise County and Sonora, Mexico serves as a crossover point for millions of visitors from Mexico each year, ranging from day shoppers and workers who cross legally through the designated ports of entry at 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, and the Douglas port 75 miles, southeast of Benson.

Cochise College Center for Economic Research (CER) focus group discussions in Benson indicate the city hosts a considerable number of Mexican shoppers, indicated by the large proportion of vehicles with license plates from Sonora, Mexico parked daily at the city's retail outlets. Trends in the number of shoppers from Mexico are likely impacted by the exchange rate between the U.S. Dollar and the Mexican Peso. A strong peso makes U.S. goods and services less expensive for Mexican visitors, encouraging shoppers to visit the United States, while a weak peso makes U.S. goods and services more expensive.

In the summer of 2008, the exchange rate was just over 10 pesos to the dollar. Since then, the peso has weakened considerably, trading at over 12 pesos to the dollar in October and 13 pesos to the dollar in November 2008. The exchange rate hit 14 pesos to the dollar in January 2009 and 15 pesos to the dollar in February 2009. Since February 2009, the peso has strengthened, trading at just over 13 pesos to the dollar in all but one month from May 2009 through January 2010, and just under 13 pesos in February 2010. Although the peso has strengthened since late 2008 and early 2009, it remains considerably weaker than in previous years, making U.S. goods and services more expensive to Mexican shoppers. This is likely to continue to discourage Mexican shoppers from visiting the United States.

U.S. Travelers to Mexico

In addition to visitors from Mexico, the Douglas and Naco ports also serve as crossover points for more than 2 million U.S. visitors traveling to Mexico each year. As noted by the Arizona Department of Commerce, the Janos Highway (which begins in Douglas) is the shortest paved route from the western United States to Mexico City and Guadalajara.

In early 2008, a provision of the Western Hemisphere Travel Initiative (WHTI) took effect, which required U.S. citizens returning from Mexico to show a government-issued identification card (e.g., a driver’s license) and proof of citizenship (e.g., a birth certificate). This likely has contributed to the decline in the number of U.S. citizens crossing the border. In Naco, U.S. citizen crossings were down 3.1 percent in the first 3 months of 2008; in Douglas, the decline was much steeper at 25.2 percent. In 2008, shortly after the provisions of the WHTI took effect, U.S. Customs and Border Protection discontinued reporting the numbers of U.S. visitors to Mexico crossing back into the United States, thus data on those crossings are no longer available.

Beginning June 1, 2009, most U.S. citizens entering the United States from Mexico must have a passport, passport card, or other travel document approved by the U.S. Department of Homeland Security. U.S. citizen children under the age of 16 may present the original or copy of their birth certificate, or other proof of U.S. citizenship such as a naturalization certificate or citizenship card. Groups of U.S. citizen children ages 16 through 18, when traveling with a school or religious group, social organization, or sports team, may enter under adult supervision with originals or copies of their birth certificates or other proof of citizenship. Visit www.GetYouHome.gov for more information on the new travel requirements.

Another factor potentially contributing to a decline in border crossings of U.S. residents into Mexico is concern over violence resulting from clashes between drug cartels and Mexican government officials in some Mexican border towns. U.S. media outlets have reported various statistics on the numbers of drug and gang-related killings throughout Mexico, and most note that such killings more than doubled from 2007 to 2008 and reached an all-time high in 2009.

The violence has been much more prevalent in Mexican cities sharing borders with Texas and California (particularly Ciudad Juarez and Tijuana, respectively) than in those areas sharing a border with Arizona. However, Nogales, Sonora, which shares a border with neighboring Santa Cruz County, Arizona, is specifically mentioned in the U.S. State Department’s travel warning for Mexico, citing “recent confrontations between Mexican authorities and drug cartel members [that] have resembled small-unit combat, with cartels employing automatic weapons and grenades.” The State Department issues travel warnings when they decide, based on all relevant information, to recommend that Americans avoid travel to a certain country. Neither Agua Prieta nor Naco, which share a border with Cochise County, was referenced in the State Department’s travel warning for Mexico as of early 2010.

Agua Prieta, Sonora

The City of Douglas, Arizona shares a border with Agua Prieta, Sonora, Mexico, approximately 75 miles southeast of Benson. With thousands of border crossings into the United States each day at the Douglas Port of Entry (POE), the city hosts many foreign shoppers, workers, and other visitors. A 2007-2008 study conducted by the University of Arizona indicated 81.6 percent of Mexico residents entering the United States through the Douglas port did so for the purpose of shopping—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

REPRESENTATIVE EXCHANGE RATES: MEXICAN PESO TO U.S. DOLLAR

2008	January	10.826200
	February	10.724300
	March	10.648200
	April	10.446400
	May	10.330600
	June	10.306900
	July	10.035300
	August	10.284700
	September	10.981400
	October	12.712500
	November	13.322500
	December	13.832500
2009	January	14.309700
	February	15.069800
	March	14.151700
	April	13.866700
	May	13.166700
	June	13.172200
	July	13.212500
	August	13.314000
	September	13.492800
	October	13.147900
	November	12.915700
	December	13.043700
2010	January	13.009800
	February	12.776900

Note: As of the last business day of each month. Rates vary daily. Source: International Monetary Fund.

significant increase in maquiladoras (twin factories), which are foreign-owned factories that manufacture and assemble products for export. Major industrial employers in Agua Prieta as of 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. In 2008, Alstyle Apparel & Activewear announced it would open a new 700,000 square-foot manufacturing facility in Agua Prieta. The facility will include knitting, dying, cutting, sewing, and distribution and will employ approximately 2,500 workers. The facility is expected to be operational by 2011.

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 POE for vehicle and pedestrian traffic is open 24 hours a day, 7 days a week. Between 2003 and 2007, an average of more than 5.4 million people each year (more than 14,700 per day) passed through the Douglas port from Agua Prieta into Douglas. About 60 percent of these were non-U.S. citizens, while 40 percent were U.S. citizens returning from Mexico. In 2008, shortly after the implementation of the WHTI travel restrictions on U.S. citizens, U.S. Customs and Border Protection discontinued reporting the numbers of U.S. visitors to Mexico crossing back into the United States, thus data on those crossings are no longer available.

In 2009, vehicle crossings through the Douglas port from Agua Prieta into Douglas were down by 11.5 percent and the number of vehicle passengers was down by 15.3 percent. Pedestrian traffic into Douglas from Agua Prieta was up by 0.4 percent in 2009. Overall, the number of visitors (passengers and pedestrians) crossing into Douglas was down by 11.4 percent in 2009. The decline was likely due in part to the weakening peso, which makes U.S. goods and services more expensive to Mexican shoppers.

EXCHANGE RATE: MEXICAN PESO TO U.S. DOLLAR



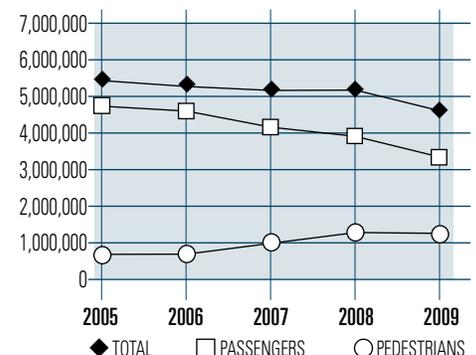
Note: As of the last trading day of each month. Rates vary daily. Source: International Monetary Fund.

US-MEXICO BORDER CROSSINGS, DOUGLAS PORT

	VEHICLES		PASSENGERS		PEDESTRIANS		(PASSENGERS & PEDESTRIANS) TOTAL	
	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE
2005	2,137,150	0.8%	4,727,538	5.3%	712,435	31.8%	5,439,973	8.1%
2006	1,983,618	-7.2%	4,557,279	-3.6%	760,211	6.7%	5,317,490	-2.3%
2007	1,776,456	-10.4%	4,155,386	-8.8%	1,014,174	33.4%	5,169,560	-2.8%
2008	1,711,176	-3.7%	3,921,971	-5.6%	1,289,903	27.2%	5,211,874	0.8%
2009	1,514,446	-11.5%	3,323,084	-15.3%	1,294,459	0.4%	4,617,543	-11.4%

Note: Includes only those crossing from Mexico into the United States. Source: U.S. Customs and Border Protection and the University of Arizona's Economic and Business Research Center.

US-MEXICO BORDER CROSSINGS: DOUGLAS PORT



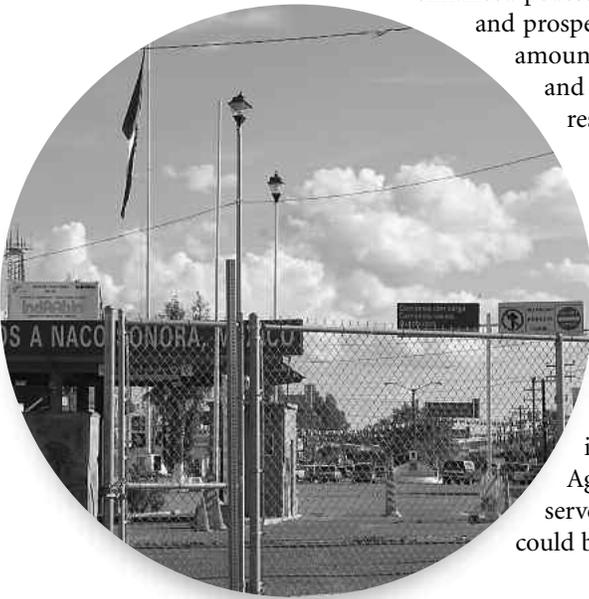
Note: Includes only those crossing from Mexico into the United States. Source: U.S. Customs and Border Protection and the University of Arizona's Economic and Business Research Center.

DOUGLAS INTERNATIONAL PORT AUTHORITY

In 2008, the Douglas International Port Authority, Inc. (DIPA) was incorporated making it the state's third port authority (the other two are the Greater Nogales Santa Cruz County Port Authority and the Greater Yuma Port Authority). The incorporation of DIPA was the result of numerous discussions and planning sessions that began in 2007. The Douglas POE is the second largest commercial port in Arizona with over \$1 billion in trade conducted every year.

The basic mission of DIPA is to promote trade and commerce. High on its priority list is the expansion and further development of the Douglas POE. DIPA sees the new commercial POE and enhanced pedestrian and privately owned vehicle services as being essential to further growth and prosperity of the region on both sides of the border. According to DIPA, increased amounts of logistical traffic to the port will expand economic activity for both U.S. and Mexico and increase the potential for more jobs and growth for their respective communities.

DIPA incorporated as a nonprofit, private organization. The authority comprises and is directed by area executives representative of the trade and logistics business service sector, cross-border manufacturing, and agribusiness industries, as well as community and economic development. Areas of focus for DIPA will be integrating key stakeholders in the process to impact the reconfiguration of the Douglas POE and garner support at all levels of the project; designing and implementing key strategies for the development and expansion of trade and industry; and providing a forum for port users to interact with appropriate governmental agencies. DIPA intends to play a pivotal role in the future development and growth of Douglas, Agua Prieta, and the region. DIPA believes that the Douglas POE can currently serve as an efficient alternative to the congested port of Nogales, resulting in what could be a viable eastern passage of the CANAMEX corridor.



The town of Naco, Sonora, Mexico shares a border with Naco, Arizona

Naco, Sonora

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, an unincorporated area of Cochise County approximately 55 miles southeast of Benson. The population of Naco, Sonora as of 2000 was 5,370, according to Mexico's Instituto Nacional de Estadística y Geografía (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 POE, the area serves as a gateway to Cochise County's retail shopping outlets. A 2007-2008 study conducted by the University of Arizona indicated that 80.1 percent of Mexico residents entering the United States through the Naco port did so for the purpose of shopping—the second highest proportion of all ports of entry in the State of Arizona behind Douglas, also located in Cochise County.

The Naco POE for vehicle and pedestrian traffic is open 24 hours a day, 7 days a week. Between 2003 and 2007, an average of 1.4 million people each year (more than 3,900 per day) passed through the Naco port from Mexico into the United States. About 75 percent of these were non-U.S. citizens, while 25 percent were U.S. citizens returning from Mexico. In 2008, U.S. Customs and Border Protection discontinued reporting the numbers of U.S. visitors to Mexico crossing back into the United States, thus data on those crossings are no longer available.

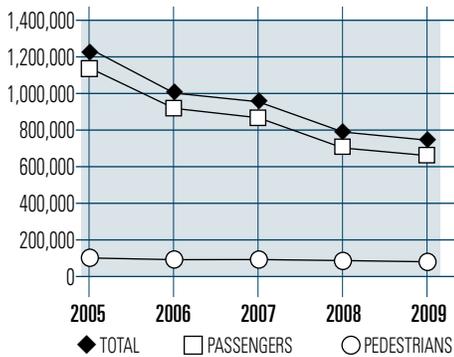
In 2009, vehicle crossings through the Naco port from Naco, Sonora into Naco, Arizona were up 4.8 percent, though the number of vehicle passengers was down by 6.4 percent. Pedestrian traffic into the United States from Naco was down by 8.3 percent in 2009. Overall, the number of visitors (passengers and pedestrians) crossing into Naco was down by 6.6 percent in 2009. The decline was likely due in part to the weakening peso, which makes U.S. goods and services more expensive to Mexican shoppers.

Economic Impact of Mexican Visitors

A 2007-2008 study conducted by the University of Arizona measured the economic impact of Mexican visitors to Arizona. The study found that Mexican visitors to Cochise County accounted for 5.3 percent of countywide taxable sales. Mexican visitors spent \$186.4 million in Cochise County, up 92.6 percent from 2001. More than two-thirds of spending by Mexican visitors to Cochise County occurred in Douglas, according to the study.

Fifty-five percent of expenditures by Mexican visitors to Cochise County occurred in retail stores, 24.1 percent occurred in grocery stores, and 7.3 percent occurred in restaurants. According to the study, the direct spending by Mexican visitors to Cochise County resulted in 1,498 jobs and \$28.8 million in local income. Accounting for indirect impacts, Mexican visitors were responsible for \$211.8 million in sales, 1,763 jobs, and \$36.5 million in income countywide.

**US-MEXICO BORDER CROSSINGS:
NACO PORT**



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

US-MEXICO BORDER CROSSINGS, NACO PORT

	VEHICLES		PASSENGERS		PEDESTRIANS		(PASSENGERS & PEDESTRIANS) TOTAL	
	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE
2005	320,432	-7.4%	1,133,186	-47.1%	99,879	8.9%	1,233,065	-44.8%
2006	321,357	0.3%	915,501	-19.2%	90,020	-9.9%	1,005,521	-18.5%
2007	323,422	0.6%	866,682	-5.3%	97,729	8.6%	964,411	-4.1%
2008	266,225	-17.7%	708,382	-18.3%	89,174	-8.8%	797,556	-17.3%
2009	278,960	4.8%	663,231	-6.4%	81,815	-8.3%	745,046	-6.6%

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.

The resident population of Fort Huachuca was approximately 6,791 as of September 2009 (Photo: Fort Huachuca Public Affairs Office)



Fort Huachuca

Fort Huachuca is an active U.S. Army installation located in Sierra Vista, approximately 30 miles south of Benson. Cochise College Center for Economic Research focus group discussions in Benson indicate the fort has had an increasing impact on the city evidenced by an increasing number of military residents, especially within newly established residential communities. The increasing presence of military personnel has also become apparent in the city's retail outlets. Benson's location approximately halfway between Fort Huachuca and Tucson makes it an attractive residential spot for military personnel and their families. Discussions with residential developers interested in the Benson area have suggested they view the fort as representing approximately 25 percent of their target market.

As of September 30, 2009, approximately 3,200 active duty military personnel, along with their family members, are assigned to the fort. There are also approximately 4,000 military trainees (students) temporarily assigned to the fort at any given time for training.

The resident population of Fort Huachuca was approximately 6,791 as of September 2009, which included 1,045 military personnel and 2,805 military family members residing in on-post housing, along with 2,941 unmarried or unaccompanied military personnel residing in troop billets, including students assigned temporarily to the fort for training. Many military personnel and their families also reside in Sierra Vista and surrounding communities, including Benson. Students assigned temporarily to the fort for training typically are not accompanied by family members. In such cases, service members' family members remain at their permanent duty stations or they relocate to follow-on duty stations for those service members who attend training at Fort Huachuca between assignments. For soldiers attending initial entry training, the military does not authorize travel of their family members to Fort Huachuca except in rare cases.

In January 2010, the Department of the Army announced the planned relocation of the 86th

Signal Battalion from Fort Huachuca to Fort Bliss, Texas. This force structure action represents an increase of 487 military authorizations and one civilian authorization at Fort Bliss and a decrease of 487 military authorizations and one civilian authorization at Fort Huachuca. Implementation of these changes is scheduled to be complete in July 2011. The 86th Signal Battalion provides Command Post nodes in support of Combatant Commanders, Army Service Component Commanders, Joint Task Force Commanders, Joint Land Force Component Commanders, Coalition Headquarters, Army support to other Services, Theater Army Commands, functional brigades, and task organized battalions in support of functional and multifunctional brigades.

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

Economic Impact

COCHISE COUNTY'S TOP EMPLOYER

In 2009, Fort Huachuca remained Cochise County's top employer, according to the Cochise College Center for Economic Research's (CER's) annual Top 75 Employer Survey. Fort Huachuca has been the top employer in Cochise County every year since the CER began conducting the survey in 1999. According to *Arizona Daily Star's* annual "Star 200" employer survey, the fort was the seventh largest employer in all of Southern Arizona in 2009.

As of the CER's 2009 top employer survey, conducted in July 2009, Fort Huachuca employed 10,146 fulltime equivalent (FTE) employees, which included 3,266 active duty military personnel permanently assigned to the fort, 2,842 Department of the Army civilian employees, 127 part-time civilian employees directly employed by the fort, and about 3,974 military students present at the fort for training. Although the fort trains more than 15,000 students each year, students arrive and depart at various times throughout the year, with approximately 3,974 present on any given day, as of the CER's most recent survey. (Note: The CER survey counts military students as fulltime employees based on a typical 40 hour workweek and pay levels and benefits associated with fulltime employment; Fort Huachuca counts students as part-time employees based on the fact they are stationed only temporarily at the fort. To account for the fact that students are assigned to the fort only temporarily, the CER uses the number of students present at any given time [3,974] in its computations, rather than the 15,000 trained throughout the year. Due to the guidelines used in the CER survey, which is aimed at measuring the employment impact delineating between 40-hour and 20-hour a week employees, the number of fulltime equivalent employees reported by the CER for Fort Huachuca is higher than the number reported by the fort.)

An FTE employee is equal to one fulltime or two part-time employees. The fort's number of FTE employees includes only those workers employed directly by the fort. Not included in the fort's numbers are workers who report to work on Fort Huachuca but are not employed directly by the fort. These include employees of defense contracting firms in the Sierra Vista area who are reported by the contracting firms that directly employ them. These include Northrop Grumman Corporation, which is the county's fifth largest employer, and NewTec, LLC, which is the county's 12th largest employer. In 2009, seven of Cochise County's top 75 employers were professional and business service firms whose customer base, in whole or part, was Fort Huachuca. This included Northrop Grumman, NewTec, Science Applications International Corporation (SAIC), ManTech Telecommunications and Information Systems Corporation, L3 Communications Command & Control Systems and Software (C2S2), Integrated Systems Improvement Services (ISIS), and All Star Technical Services. Combined, these seven firms employed 2,301 FTE employees in 2009, or 9 percent of the total workers employed by the county's 75 largest employers. Not all of these



(Photo: Fort Huachuca Public Affairs Office)

employees work in direct support of the fort as several of the firms have customer bases well beyond Fort Huachuca. For example, Northrop Grumman and SAIC serve customers across the United States and internationally from their sites in Sierra Vista, but also do a small portion of business in support of the fort.

Also not included in the fort's numbers are employees of the Fort Huachuca Accommodation Schools (FHAS), which reports its employees separately and was the county's 35th largest employer in 2009. Although located on Fort Huachuca, FHAS schools are Arizona public schools that fall under the Arizona Department of Education. The FTE numbers also do not include employees of the AAFES Post Exchange (PX), U.S. Post Office, colleges and universities, and concessionaires located on post.

THE MAGUIRE REPORT

In 2008, the Maguire Company, in collaboration with ESI Corp, released the results of its *Economic Impact of Arizona's Principal Military Operations* study, commonly referred to as the Maguire Report. According to the study, the direct, indirect, and induced employment impact of Fort Huachuca on Cochise County was 26,921 FTE jobs, which includes the fort's direct employees, as well as those employed due to government contracts and spending by the fort and its employees. Nearly 83 percent of the indirect and induced employment generated by Fort Huachuca occurred in the county's retail trade and services industries. The total economic impact of the fort on Cochise County was estimated at \$2.4 billion annually. Nearly 42 percent of this impact was the result of indirect and induced economic activity in the county's retail trade and services industries. The report also estimated that the direct, indirect, and induced economic activity of Fort Huachuca generated \$23.2 million per year in local sales tax and \$17.3 million in local property tax in Cochise County.



(Photo: Fort Huachuca Public Affairs Office)

U.S. Fish and Wildlife Biological Opinion

In recent years, water use by the fort, as well as water use that results from Fort Huachuca's indirect and induced employment and any resultant population increases, has been an environmental issue. A June 2007 biological opinion issued by U.S. Fish and Wildlife Service (FWS) examined the environmental impact and concluded that the proposed ongoing and future military operations and activities at Fort Huachuca were not likely to adversely affect endangered species. The biological opinion noted that Fort Huachuca has been a recognized leader in energy and water reduction initiatives for more than a decade; water use had been reduced by over 50 percent, or over half a billion gallons per year; the fort had been below the federal energy conservation goals for more than a decade; and the fort had increased the use of renewable energy in the form of solar and wind, neither of which consume water in the production of electricity. Perhaps most important to the future of Fort Huachuca, the FWS biological opinion determined that Fort Huachuca can accommodate additional growth, accomplish the mission, and continue to meet water conservation measures.

History

Fort Huachuca is a National Historic Landmark. The fort 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.

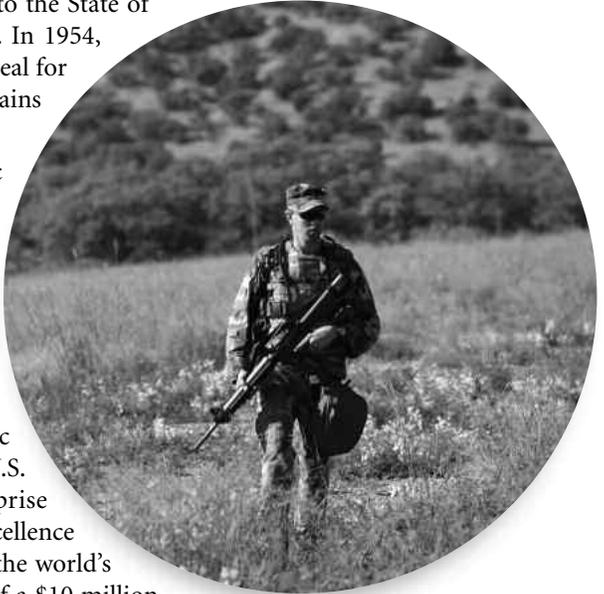
Following Geronimo's surrender in 1886, the Army closed more than 50 camps and forts in the Arizona territory. Fort Huachuca was retained due to continuing border troubles. In 1913, the 10th Cavalry "Buffalo Soldiers" arrived and remained almost 20 years. The 10th Cavalry joined General

John J. Pershing in the 1916 expedition into Mexico. During World War I, the fort was assigned the mission of guarding the U.S.-Mexico border.

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

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

Today, Fort Huachuca is a major military installation in Arizona, and one of prominence throughout the Southwest. Units on the fort include the Joint Interoperability Test Command, Raymond W. Bliss Army Community Health Center, the 11th Signal Brigade, the Unmanned Aerial Systems Training Battalion of the U.S. Army Aviation Center, U.S. Army Electronic Proving Ground, U.S. Army Information Systems Engineering Command, U.S. Army Intelligence Center of Excellence, U.S. Army Network Enterprise Technology Command, and the Department of Defense Joint Center of Excellence for Human Intelligence Training. In 2005, Fort Huachuca became home to the world's largest Unmanned Aerial Systems (UAS) training facility with the opening of a \$10 million, 25,000-square-foot UAS Training Center Annex, bringing the total UAV training area to 125,000 square feet. For more information on Fort Huachuca, visit www.huachuca.army.mil.



(Photo: Fort Huachuca Public Affairs Office)

The St. David Farmers Market is located at the St. David School



Cochise County agriculture

Agriculture remains a significant part of the Cochise County economy. Most of the county's agricultural production occurs in the eastern part of the county in the Sulphur Springs Valley, although considerable production continues in the San Pedro Valley.

In 2007, top crop items by acreage in Cochise County included forage land, corn, pecans, and harvested vegetables. Top livestock inventory items by number were cattle and calves (mostly beef cows), layers, horses and ponies, goats, and bee colonies.

Between 2002 and 2007, the number of farms in Cochise County grew by 115, or 12.1 percent, from 950 to 1,065. This was mostly the result of a deconsolidation of farmland evidenced by the decline in total farm acreage from 970,000 to 825,000, despite growth in the number of farms. The average farm size in the county decreased from 1,020 to 774 acres.

Although the size of farms decreased between 2002 and 2007, the value of land and buildings on farms increased. Countywide, the average value of land and buildings per farm more than doubled from \$705,000 to \$1.5 million. The average market value of land and buildings per acre of farmland more than tripled from \$631 to \$1,907. The estimated market value of machinery and equipment per farm in Cochise County grew by nearly one-half, from \$53,000 to \$78,000.

The changing structure of farms in Cochise County between 2002 and 2007 was characterized by an increase in the number of farms of all size classes except those that were 1,000 acres or more, which stabilized at 2002 levels. Most of the growth in the number of farms occurred in smaller farms, particularly those that were 179 acres or smaller. In terms of the market value of agricultural products sold, the number of farms with annual sales valuing less than \$2,500 grew by 35 percent from 363 to 490. At the same time, the number of farms with sales of \$100,000 or more declined by 10 percent from 120 to 108.

Although the area of farmland in Cochise County declined by 15 percent between 2002 and 2007, the market value of agricultural products sold grew by nearly 50 percent from \$78.3 to \$117.1 million. The majority of these products were crops, which accounted for 63 percent of total agricultural products countywide in 2007, down from 71.2 percent in 2002. The market value of crops in 2007 was \$74.4 million, up 33.4 percent from \$55.7 million in 2002. The market value of livestock sales increased 89.5 percent from \$22.6 to \$42.8 million.

Although the total acreage of farms in Cochise County decreased considerably from 2002 to 2007, the total output expanded along with the value of land, buildings, and machinery. This is likely attributable to the development and

procurement of more technologically advanced equipment, making farm work less labor intensive, as well as the more efficient use of land resources to increase output per acre.

St. David Farmers Market

The St. David Farmers Market at the St. David School opened for its second season of weekly Saturday morning markets in May 2010. According to the market manager, the market was started to help revive backyard and small farm food production for local consumption in an historic farming region and to serve as food business incubators offering an affordable nearby market for producers of all ages. The market manager has reported seeing an increase in the demand for locally and

naturally raised food that is chemical-free. The market seeks to involve young people in raising and selling food through the school's vocational agriculture, culinary arts, and business classes, as well as Future Farmers of America (FFA) and 4H organizations. Students at the St. David School as well as FFA and 4H members can sell eligible products at the farmers market at no vendor charge.

The St. David Farmers Market includes frequent agricultural educational events such as goat milking; weaving, spinning, and solar cooking demonstrations; Cooperative Extension Master Gardeners & Waterwise (rain water harvesting) information booths; and a petting zoo of baby farm animals. For more information, contact market manager Ron Millet at (520) 221-1074 or stdavidfarmersmarket@yahoo.com.

COCHISE COUNTY AGRICULTURE

	2007	2002	CHANGE	% CHANGE
Farms (number)	1,065	950	115	12.1%
Land in farms (acres)	824,226	969,253	-145,027	-15.0%
Land in farms - Average size of farm (acres)	774	1,020	-246	-24.1%
Estimated market value of land and buildings - Average per farm (dollars)	\$1,475,858	\$704,895	770,963	109.4%
Estimated market value of land and buildings - Average per acre (dollars)	\$1,907	\$631	1,276	202.2%
Estimated market value of all machinery and equipment - Average per farm (dollars)	\$77,792	\$53,260	24,532	46.1%
Farms by size - 1 to 9 acres	122	110	12	10.9%
Farms by size - 10 to 49 acres	252	211	41	19.4%
Farms by size - 50 to 179 acres	285	227	58	25.6%
Farms by size - 180 to 499 acres	149	147	2	1.4%
Farms by size - 500 to 999 acres	76	74	2	2.7%
Farms by size - 1,000 acres or more	181	181	0	0.0%
Total cropland (farms)	496	557	-61	-11.0%
Total cropland (acres)	141,156	131,382	9,774	7.4%
Irrigated land (farms)	368	460	-92	-20.0%
Irrigated land (acres)	67,598	64,593	3,005	4.7%
Market value of agricultural products sold (\$1,000)	\$117,130	\$78,307	38,823	49.6%
Market value of agricultural products sold - Average per farm (dollars)	\$109,981	\$82,429	27,552	33.4%
Market value of agricultural products sold - Crops (\$1,000)	\$74,358	\$55,737	18,621	33.4%
Market value of agricultural products sold - Livestock, poultry, and their products (\$1,000)	\$42,771	\$22,570	20,201	89.5%
Farms by value of sales - Less than \$2,500	490	363	127	35.0%
Farms by value of sales - \$2,500 to \$4,999	119	97	22	22.7%
Farms by value of sales - \$5,000 to \$9,999	91	118	-27	-22.9%
Farms by value of sales - \$10,000 to \$24,999	120	111	9	8.1%
Farms by value of sales - \$25,000 to \$49,999	87	82	5	6.1%
Farms by value of sales - \$50,000 to \$99,999	50	59	-9	-15.3%
Farms by value of sales - \$100,000 or more	108	120	-12	-10.0%

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

The Amerind Foundation is located 12 miles east of Benson (Photo: The Amerind Foundation)



Tourism

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.

Cochise County communities, including Benson, have joined together to form the Cochise County Tourism Council (CCTC). The marketing efforts of the CCTC, which are funded by the individual communities, Cochise County, and grant dollars from 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 and www.bensonvisitorcenter.com.

Benson's Railroad Heritage

The City of Benson was incorporated in 1924. Long before its incorporation, Benson developed as a stopping point for the Butterfield Overland Stage mail delivery route. The Southern Pacific

Railroad came to Benson in the late 1800s and continued to serve the area until 1997 when the line was purchased by Union Pacific Railroad. In the late 1800s and early 1900s, 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 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.

Attractions and Activities

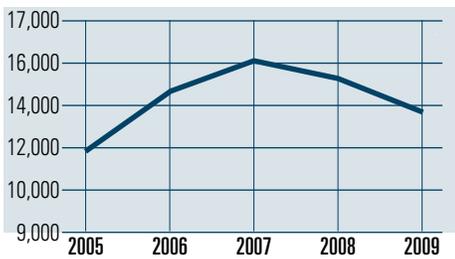
KARTCHNER CAVERNS

The City of Benson is known as the Home of Kartchner Caverns. Kartchner Caverns State Park, which celebrated its 10th anniversary in 2009, is located on 550 acres at the foothills of the Whetstone Mountains 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. Kartchner Caverns State Park also offers picnicking, camping, and hiking. Geologists at the 2009 International Conference on Speleology declared Kartchner Caverns State Park to be the world leader in management of a living cave. In early 2010, the University of Arizona's Microbiology Department was nearing completion of a multiyear National Science Foundation grant to study cave bacteria and cave fungi. According to a study conducted by Northern Arizona University, Kartchner Caverns was responsible for \$9.6 million in direct expenditures in Cochise County by visitors to the park in 2007. According to the study, this resulted in a total (direct, indirect, and induced) impact of \$12.3 million in local income and 188 jobs. The study also concluded Kartchner Caverns generated nearly \$1 million in state and local government tax revenue. In 2010, as a result of the state budget crisis, the Arizona State Parks Board announced it would close many of the state's parks. Due to Kartchner Caverns' status as a positive revenue generator for the state, it was spared closure. Of Arizona's 30 state parks, Kartchner Caverns was the largest revenue generator bringing in \$2.9 million in fiscal year 2009. The park also generated the most net revenue (revenue minus cost) at \$600,000. For more information on Kartchner Caverns, visit <http://azstateparks.com/Parks/KACA>.

THE AMERIND FOUNDATION

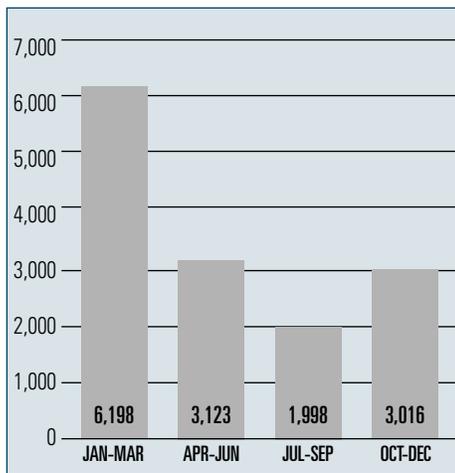
The Amerind Foundation is located 12 miles east of Benson in Texas Canyon. The foundation is an anthropological and archaeological museum and research center dedicated to the preservation and interpretation of Native American cultures and their histories. Amerind Museum exhibitions tell the story of America's first peoples from Alaska to South America and from the last Ice Age to the present. Amerind's Fulton-Hayden Memorial Art Gallery features works on western themes by such artists as Harrison Begay, Carl Oscar Borg, William Leigh, Frederic Remington, and Andy Tsihnhajinnie. 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 resources for scholars conducting research on southwestern anthropology, archaeology, history, and Native American studies.

BENSON VISITOR CENTER VISITOR COUNTS



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

BENSON VISITOR CENTER, VISITOR COUNTS, AVERAGE BY QUARTER



Based on data from 2005-2009. Source: Benson Visitor Center and Cochise College Center for Economic Research.

Amerind's resident scholar and advanced seminar programs address 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.

COCHISE STRONGHOLD

Cochise Stronghold, an 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.

GAMMONS GULCH GHOST TOWN MOVIE SET

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

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 or visit www.holytrinitymonastery.org.

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 and other 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 the BLM Gila District Office at (520) 439-6400.

Cochise Origins Project

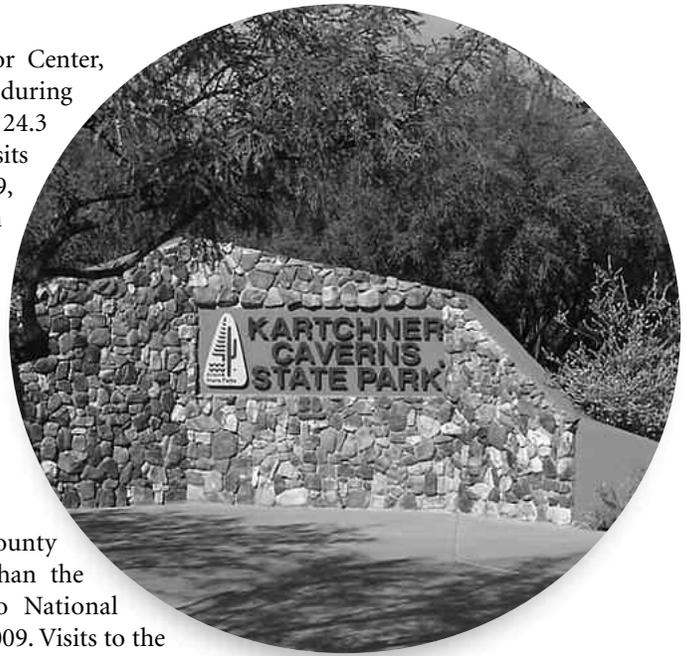
In 2008, the Cochise County Tourism Council was awarded a grant from the Arizona Office of Tourism to continue its "Cochise Origins" project, which promotes geotourism. The project highlights five geotourism themes found throughout the county: indigenous peoples, Mexico and Hispanic influences including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

west and ranching history, the evolution of military forts in the region, and the role of geology and mining.

Tourism Trends in Benson

Tourism in Benson, as measured by visits to the Benson Visitor Center, increased considerably in 2006 and 2007, but declined in 2008 and 2009 during the nationwide recession. In 2007, visits were up 9.8 percent, following a 24.3 percent increase the year prior. In 2008, visits fell 5.5 percent, and visits declined by 10.1 percent in 2009. Despite the declines in 2008 and 2009, annual visits remained higher than in 2005, before the city’s tourism expansion.

Traditionally, January through March is the busiest season for the Benson Visitor Center. Between 2005 and 2009, the visitor center received an average of 6,198 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 1,998.



The City of Benson is known as the Home of Kartchner Caverns

Cochise County State and National Park Visitations

Since the recession began in December 2007, visitors to Cochise County have opted for the less expensive ecotourism destinations rather than the traditional destinations of Tombstone and Bisbee. The Coronado National Memorial saw visits increase by 27 percent in 2008 and 14 percent in 2009. Visits to the Chiricahua National Monument were down 3.2 percent in 2008; however, visits were up 7.6 percent in 2009.

Visits to Kartchner Caverns State Park fell by 4.2 percent in 2008 and 6 percent in 2009. Visits declined in 4 of the 5 years from 2005 through 2009. Kartchner Caverns has not benefited from the apparent shift to ecotourism destinations likely due to the park’s relatively higher entrance fees. Visits to the Fort Bowie National Historic Site increased by 0.7 percent in 2008 but were down 4.5 percent in 2009.

The Tombstone Courthouse State Historic Park saw visits increase by 0.1 percent in 2008, but in 2009 the number of visits was down by 14.5 percent. In January 2010, the Arizona State Parks Board voted to close 13 state parks, including the Tombstone Courthouse State Historic Park. When this publication went to print, the Tombstone city government, Tombstone Chamber of Commerce, and Arizona State Parks Board were close to an intergovernmental agreement to keep the park open, transferring management responsibilities to the city and chamber.

BENSON VISITOR CENTER, VISITOR COUNTS

	1ST QTR	CHANGE	2ND QTR	CHANGE	3RD QTR	CHANGE	4TH QTR	CHANGE	ANNUAL	CHANGE
2005	5,719	8.2%	2,397	-16.4%	1,382	-12.5%	2,336	-4.6%	11,834	-2.9%
2006	6,193	8.3%	3,240	35.2%	2,029	46.8%	3,250	39.1%	14,712	24.3%
2007	6,235	0.7%	3,515	8.5%	2,487	22.6%	3,914	20.4%	16,151	9.8%
2008	6,695	7.4%	3,447	-1.9%	2,231	-10.3%	2,887	-26.2%	15,260	-5.5%
2009	6,150	-8.1%	3,018	-12.4%	1,862	-16.5%	2,691	-6.8%	13,721	-10.1%

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

COCHISE COUNTY STATE PARK VISITATIONS

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITATIONS	CHANGE	VISITATIONS	CHANGE
2005	179,129	-25.8%	59,330	0.6%
2006	157,417	-12.1%	50,936	-14.1%
2007	159,892	1.6%	51,866	1.8%
2008	153,224	-4.2%	51,932	0.1%
2009	144,089	-6.0%	44,403	-14.5%

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

COCHISE COUNTY NATIONAL PARK VISITATIONS

YEAR	CHIRICAHUA NATIONAL MONUMENT		CORONADO NATIONAL MEMORIAL		FORT BOWIE NATIONAL HISTORIC SITE	
	VISITATIONS	CHANGE	VISITATIONS	CHANGE	VISITATIONS	CHANGE
2005	60,224	11.2%	86,618	-3.3%	9,656	1.8%
2006*	61,579	2.2%	71,111	-17.9%	10,679	10.6%
2007	58,434	-5.1%	71,702	0.8%	10,027	-6.1%
2008	56,557	-3.2%	91,028	27.0%	10,099	0.7%
2009	60,846	7.6%	103,811	14.0%	9,641	-4.5%

*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.

Cochise County Lodging Indicators

Cochise County's lodging industry struggled in 2009, according to AOT lodging indicator data. In 2009, Cochise County's lodging occupancy rate decreased by 17.3 percent, falling from 64.2 to 53.1 percent for the year. The county's lodging occupancy rate of 53.1 percent was below the statewide rate of 53.3 percent and the nationwide rate of 55.1 percent.

The average daily room rate in Cochise County fell by 1.4 percent from \$68.60 to \$67.65 in 2009. The county's average daily room rate was about 30 percent below both the state and national rates. Revenue generated per available room in Cochise County was down by 18.4 percent from \$44.01 to \$35.90 in 2009 and was 29.1 percent below the state level and 33.2 percent below the national level. Lodging room demand in Cochise County was down by 13.3 percent and supply was up 4.8 percent in 2009.

The San Pedro Valley Art and Historical Society



Economic Impact of Tourism in Cochise County

According to research commissioned by AOT and conducted by Dean Runyon Associates, total travel-related spending in Cochise County was \$351.3 million in 2008, down 0.1 percent from 2007. Overnight visitors who stayed in lodging establishments (including campgrounds) in Cochise County accounted for 45.8 percent of all spending by visitors. Those who stayed in private homes, including vacation homes, accounted for 20.2 percent of total visitor spending, while day travelers accounted for 33.6 percent. In 2008, 49.3 percent of spending by visitors to Cochise County was for leisure and hospitality services (arts, entertainment, recreation, accommodations, and food service). Spending on retail (including food stores) accounted for 34.7 percent and transportation accounted for 15.9 percent.

Approximately 4,520 jobs were generated in Cochise County in 2008 by travel-related spending, according to the Dean Runyon Associates study. More than 80 percent of those jobs were in leisure and hospitality services. Travel-related spending accounted for approximately \$83.4 million in direct earnings and generated approximately \$11.7 million in direct local government tax revenue. 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 the Dean Runyon Associates study, the jobs, earnings, and tax revenue generated by travel spending are relatively more important for the rural areas of Arizona, including Cochise County, than for the larger metropolitan areas of the state. AOT has dedicated funding and resources specifically designed to assist rural communities in marketing their tourism-related products and services. AOT has also developed a series of customer service and grant workshops to assist Arizona's rural communities in their tourism-related efforts. For more information, visit the AOT website at www.azot.gov.

The 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
- **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.
- **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.

COCHISE COUNTY TRAVEL IMPACTS

	2005	2006	2007	2008
TOTAL DIRECT TRAVEL SPENDING (\$MILLION)				
Visitor Spending at Destination	319.5	326.8	350.9	350.3
Other Travel*	0.8	0.8	0.9	1.0
Total Direct Spending	320.3	327.7	351.8	351.3
VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION (\$MILLION)				
Hotel, Motel	78.9	86.2	106.1	110.0
Campground	48.6	50.7	50.9	50.4
Private Home	63.3	65.9	67.2	63.3
Vacation Home	6.5	6.8	7.0	7.4
Day Travel	120.5	115.7	118.0	117.6
Spending at Destination	319.5	326.8	350.9	350.3
VISITOR SPENDING BY COMMODITY PURCHASED (\$MILLION)				
Lodging	37.6	40.4	49.0	50.8
Food & Beverage Services	71.9	74.0	81.1	80.0
Food Stores	62.2	57.8	58.9	59.2
Ground Tran. & Motor Fuel	44.6	50.5	53.7	55.8
Arts, Entertainment & Recreation	40.0	41.3	43.8	42.0
Retail Sales	63.2	62.8	64.3	62.5
Spending at Destination	319.5	326.8	350.9	350.3
INDUSTRY EARNINGS GENERATED BY TRAVEL SPENDING (\$MILLION)				
Accommodation & Food Services	33.6	35.4	41.6	43.8
Arts, Entertainment & Recreation	17.6	19.1	20.2	20.3
Retail**	18.3	18.2	18.6	18.3
Auto Rental & other ground tran.	0.3	0.3	0.3	0.3
Other Travel*	0.6	0.6	0.7	0.7
Total Direct Earnings	70.4	73.5	81.4	83.4
INDUSTRY EMPLOYMENT GENERATED BY TRAVEL SPENDING (JOBS)				
Accommodation & Food Services	2,110	2,140	2,270	2,290
Arts, Entertainment & Recreation	1,220	1,260	1,380	1,440
Retail**	810	800	800	750
Auto Rental & other ground tran.	10	10	10	10
Other Travel*	20	20	20	20
Total Direct Employment	4,160	4,230	4,480	4,520
GOVERNMENT REVENUE GENERATED BY TRAVEL SPENDING (\$MILLION)***				
Local	10.5	10.7	11.8	11.7
State	11.7	12.0	12.8	12.5
Total Direct Gov't. Revenue	22.2	22.7	24.6	24.3

Note: 2008 data are preliminary. Details may not add to totals due to rounding. *Other Travel includes resident air travel and travel arrangement. **Retail includes gasoline. *** Property taxes and sales tax payment of travel industry employees not included. Source: Dean Runyon Associates and Arizona Office of Tourism.

- **The Hanged Man**, starring Steve Forrest, Cameron Mitchell, and Dean Jagger.

In 2009, the Gammons Gulch movie set just north of Benson was selected as the location for the filming of *The Gundown*, a western set in the Arizona desert in the 1890s. The movie stars Sheree Wilson, William Shockley, and Peter Coyote and is being produced in association with Freewill Films. The film features a new 1,000 square-foot saloon that was constructed at the Gammons Gulch set for the purpose of securing the movie deal. The Southeast Arizona Economic Development Group (SAEDG) helped broker the deal and has placed a high priority on promoting the film industry in Cochise County due to its economic impact in terms of local jobs and sales in the accommodation, restaurant and bar, and other local industries. According to SAEDG, Silver Bullet Films spent more than \$70,000 in the local economy during filming of *The Gundown*, which does not include individual spending by cast and crew or indirect and induced spending resulting from the film company's direct expenditures.

Those interested in filming in the Benson area may benefit from the Arizona Motion Picture Production Tax Incentives Program. Incentives are also available for companies making commercial advertisements or music videos in Arizona, as well as those constructing infrastructure projects. For more information, visit the Arizona Department of Commerce's website at www.azcommerce.com/Film. For information on filming in Benson, contact the Benson Visitor Center at (520) 586-4293.

Calendar of Events

Benson, Arizona

ONGOING

- Ongoing **Amerind Foundation** — Check www.amerind.org for special events.
- Ongoing **Bird Watching & Hiking** — 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.

MARCH 2010

- Mar 1-31 **Quilt Museum Art Show** — An Art Show Featuring local artists and quilts. For more information call (520) 586-2842.
- Mar 27 **Bob Hansen Diabetes Fund Golf Tournament** — The Fraternal Order of Eagles is hosting a golf tournament to raise money for diabetes. The cost is \$45.00 which includes golf, golf cart and lunch. There will be a raffle, drawing, and prizes.

APRIL 2010

- Apr 23-25 **Bluegrass in the Park** — Benson's Fifth Annual "Bluegrass in the Park." The bands are some of the best in North America. Enjoy workshops, jam sessions, children's activities, and vendors. For more information, call the Benson Chamber of Commerce at (520) 586-2842 or visit www.bensonchamberaz.com.

MAY 2010

- May 1 **San Pedro Off Road Association Mud Bogs at the Benson Arena Bar** — For more information call 520-586-9983.
- May 8-9 **Holy Trinity Monastery Fiesta de la Primavera** — The Holy Trinity Monastery will be having their Spring Festival on Mother's Day. There will be 150+ booths of arts and crafts, as well as entertainment and a variety of food. For more information call (520) 720-4642 ext 22, or visit www.holytrinitymonastery.org.

JULY 2010

- Jul 3 **July 4th Celebration** — Benson will celebrate 4th of July starting with a parade at 9:00 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.

OCTOBER 2010

- Oct 9-10 **Butterfield Overland Stage Days** — The Benson Chamber of Commerce will be putting on a special Butterfield Overland Stage Days. Although it only ran for two years in 1858 and 1859, it was one of the turning points in American history. October 2010 will mark 152 years since John Butterfield's dream for an overland mail and passenger service connecting the East with the West. There will be vendors and entertainment in Lions Park. There will also be an official U.S. Post Office Pony Express mail run from Benson to Dragoon on horseback. The day will end with a spectacular fireworks show. For more information call the Benson Chamber of Commerce at 520 586-2842 or visit www.bensonchamberaz.com.
- Oct 10 **Butterfield Rodeo & Dance** — The Benson Rodeo Committee's one-day Butterfield Rodeo. All profits go to charity. Held at the Arena Bar on Prickly Pear Ave (across from Wal-Mart). Rodeo starts at 5:00 p.m. and will be followed by a dance at 8:30 p.m. For information call (520) 586-4293 or visit www.bensonvisitorcenter.com.
- Oct 15-16 **Biker Rodeo** — Every year, the third weekend in October, the Southern Arizona Harley Riders put on their Biker Rodeo at The Arena in Benson. For more information contact Nick Confer at seminole@theriver.com.

NOVEMBER 2009

- Nov 13-14 **Holy Trinity Monastery Fall Festival of the Arts** — There will be 150+ booths of arts and crafts as well as entertainment and a variety of food. For more information call (520) 720-4642 ext 22, or visit www.holytrinitymonastery.org.
- Nov 21 **Singing Wind Bookshop's Thanksgiving Fiesta of Books** — a medley of regional authors of history, fiction, natural history, and children's books. For more information call (520) 586-2425.

DECEMBER 2009

- Dec 11 **Christmas on Main Street** — Street vendors and local entertainment such as the Saint David High School Choir. There will also be a visit from Santa Claus. For more information call the Benson Chamber of Commerce at (520) 586-2842 or visit www.bensonchamberaz.com.

JANUARY 2011

- Jan 30 **Cowboy/Cowgirl Round-up** — Readings and music by cowboy poets, fiction writers, and western historians. Event is free. For more information call (520) 586-2425.



Renewable energy

Overview

There is a growing sense that reformation of energy production, use, and infrastructure will be a key component of long-term economic growth strategies at the national, state, and local levels. The expansion of renewable energy resources and the advancement of technology to harness and distribute renewable energy will be at the center of this movement. President Obama, soon after taking office in 2009, announced his intention of making energy reformation an integral part of his economic recovery plan. At the state level, there has long been recognition that Arizona is well positioned to be a leader in harnessing and distributing alternative energy, particularly solar energy.

Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC), which provides electrical service to the Benson area and other areas of the county, offers several incentives to promote the use of alternative energy. In addition to the SSVEC incentives, customers may also qualify for federal and state tax credits.

SSVEC Renewable Energy Program

In December 2007, the SSVEC Renewable Energy Surcharge and Tariff (REST) Program, also known as the SunWatts Program, was approved by the Arizona Corporation Commission (ACC). SunWatts includes several contribution, rebate, loan, and other incentive programs to promote the use of renewable energy. (Note: The information provided in this section regarding SSVEC incentives was current at the time of publication. The Cochise College Center for Economic Research cannot guarantee the reliability, accuracy, or completeness of this information and the information may be subject to change. For detailed and up-to-date information on renewable energy incentives in the SSVEC service area, visit www.ssvvec.org.)

SUN WATTS GREEN CONTRIBUTION PROGRAM

SSVEC members may voluntarily contribute additional money on their monthly electric bills to help fund various renewable energy programs. The money contributed is placed in the SSVEC Renewable Energy Fund.

RESIDENTIAL AND SMALL COMMERCIAL (UNDER 10 KW) REBATE PROGRAM

This program provides incentives to SSVEC members for the installation of qualifying renewable energy programs (solar, wind, and biomass). SSVEC provides incentives of \$3 per installed watt, or up to 50 percent of the total installed cost of the system, whichever is less. Individuals interested in forfeiting the rebate can qualify for a performance based incentive (PBI) over a period of 10, 15, or 20 years up to 60 percent of the system's cost. Money available to fund the rebate program is limited, so members must contact SSVEC prior to construction to ensure funds are available.

LARGE COMMERCIAL (OVER 10 KW) PROGRAMS

Please contact the SSVEC Commercial Representative at (520) 515-3472 for program guidelines.

NEW HOME BUILDERS PROGRAM

SSVEC offers builders of new homes a \$1,500 incentive for 2kW or larger systems. This rebate is in addition to the residential and commercial rebate program and is payable only to the builder.

RESIDENTIAL AND SMALL BUSINESS LOAN PROGRAM

SSVEC members may borrow \$2 per watt up to a maximum of 25 percent of the total cost of the renewable energy project at an interest rate of 3 percent. The loan is secured by a lien on the house or property and is repaid in equal monthly installments over 5 years for loans under \$10,000 and 10 years for loans over \$10,000, with no prepayment penalty. There is a cap on loan amounts of 4 kW for residential systems and 10 kW for small business systems. The loan program has limited funds and is available on a first come, first served basis.

SOLAR WATER HEATERS

Solar water heaters are eligible for a rebate of \$0.75 per kWh of the first year savings as determined by the Solar Rating and Certification Corporation (SRCC). The SRCC eligible systems can be found at www.solar-rating.org.

HABITAT FOR HUMANITY PROGRAM

SSVEC has entered into partnership with Habitat for Humanity to encourage renewable energy options for Habitat for Humanity homes. A maximum of two projects per year are funded.

RENEWABLE ENERGY TARIFFS

In order to fund the SunWatts Program, SSVEC charges monthly tariffs. The surcharge rate is \$0.007937 per kWh per month with the following monthly maximums: residential, \$3.49 per meter per month; commercial and industrial, \$200 per meter per month; general service, \$85 per meter per month; irrigation, \$50 per meter per month; and industrial (over 3MWs), \$300 per meter per month.

Renewable Energy for Schools Program

In 2008, solar shade photovoltaic systems were installed at the 41 public school sites in the SSVEC service area in Cochise County at no cost to the schools. The structures are estimated to save each school \$500 per month in electricity costs. The \$11.4 million project was funded under the Federal Energy Policy Act of 2005, which allowed SSVEC to borrow zero-interest bond monies through the Clean Renewable Energy Bond (CREB) program. In addition to generating power, the systems also provide shaded areas for students. The schools are also able to use the system as an educational tool. Students and teachers can access a website that allows them to study how well the systems are working and to see the effects of weather on system performance. The educational component is an effort to make renewable energy more relevant for students and faculty. The program is estimated to generate a combined 975 kilowatts of renewable energy at the sunniest part of the day. Cochise College's Sierra Vista Campus and Benson Center, along with the University of Arizona South in Sierra Vista, are also included in the project. SSVEC owns and maintains the units and donates the electric power produced by the systems to the schools.

Solar Park Foundation

In early 2009, the Benson City Council approved the rezoning of 25 acres south of Aviation Drive, between Ocotillo Road and the Benson Municipal Airport, for the establishment of a solar park. Colt RR, LLC plans to develop the land into an industrial business complex that specializes in alternative energy, to include research and development, manufacturing, warehousing, and wholesale trade. The rezoning represents Phase 1 of the solar park, with plans to eventually expand the project to more than 200 acres.

During the early planning stages of the solar park project, supporters realized there was a lack of advocacy and support of local renewable energy opportunities. This led to the establishment of the nonprofit Solar Park Foundation. The foundation is dedicated to advancing the understanding, development, and use of solar and other renewable energy options to meet Southeast Arizona's need for clean and sustainable energy. This includes promoting knowledge of related issues such as rainwater harvesting, storm-water control, and air quality monitoring. The Solar Park Foundation intends to meet its objectives through coordination with businesses, organizations, and public entities to promote energy efficiency practices; efforts to educate the general public about solar and other renewable energy options; efforts to inform builders, contractors, and government officials about solar and other renewable energy options; assistance to learning institutions in educating students about solar and other renewable energy options; training for end-users (consumers) of solar and other renewable energy options; training for manufacturers, suppliers, and installers of solar and other renewable energy options; and partnerships with businesses, organizations, and public entities to promote solar and other renewable energy options.

In addition to its work promoting renewable energy opportunities throughout southeast Arizona, the foundation has also launched an effort to assist small businesses in developing their potential. Toward that end, the foundation acquired a 1,200 square-foot office in Benson, which it divided into cubicles that it rents to small businesses beginning at \$100 a month, with the goal of helping small business owners get started. Although preference is given to enterprises involved with renewable energy, the site is available to all nonretail business owners as well.

To learn more about the Solar Park Foundation, call (520) 720-6476 or visit www.solarparkaz.com.



About the Center for Economic Research

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 nonprofit sectors make informed decisions.

The CER hosts economic outlook luncheons each year in Benson, Bisbee, Douglas, and Sierra Vista. The center also produces four major publications annually as part of its Cochise County Economic Outlook Publication Series: *Benson Economic Outlook*, *Bisbee Economic Outlook*, *Douglas Economic Outlook*, and *Sierra Vista Economic Outlook*.

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 director serves on community projects, committees, and task forces providing technical expertise in research methodology and serving as a source of economic and demographic information, analysis, and forecasting.

As an extension of Cochise College's educational mission, the CER prepares weekly press releases that are published in newspapers countywide and provide insight into economic issues affecting Cochise County. The CER's quarterly newsletter, *The Indicator*, provides updates on the local economy and CER activities. The CER also produces the *Cochise County Economic Update*, a biweekly compilation of links to online newspaper articles relevant to the Cochise County economy, which is emailed to everyone on the CER's distribution list. The CER's website (www.cochise.edu/cer) provides updated economic news, information, analyses, forecasts, and studies. In 2009, the CER launched an official Facebook group to update group members on issues

related to the local, state, and national economies.

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

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

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

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

Contact the CER

Center for Economic Research
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Center Staff

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Iris Routhieaux – Information Specialist
Roy Bever – Administrative Assistant, Sr.
Daniel Chung – Office Assistant

Benson Economic Advisory Committee

Jim Cox – City of Benson
Sharon Gilman – Cochise College Benson Center
Mahlon MacKenzie – Long Realty Benson Affiliate
Gary Maluf, Ph.D. – Benson Hospital
Bob Mucci – Benson Chamber of Commerce
Kate Mueller – St. David Unified School District
Glenn Nichols – City of Benson
Bob Nilson – Benson Visitor Center
George Scott – Southeast Arizona Economic Development Group
Telly Stanger – Sulphur Springs Valley Electric Cooperative, Inc.
Dr. David Woodall – Benson Unified School District



Cochise
College
Benson
Center

Cochise College resources

Adult Education

Adult Education offers various programs that are free to all Cochise County residents 16 years of age and older. These programs include English language acquisition (ELA), GED (high school equivalency) preparation, adult basic education, reading, math, writing, computer skills, civics, citizenship, family literacy, and workplace education. Classes meet on Cochise College campuses as well as other locations in the county. For more information please email adulthoodeducation@cochise.edu or call the Benson Center at (520) 586-1981, the Douglas Campus at (520) 364-3736, Sierra Vista Campus at (520) 515-5456, or the Willcox Center at (520) 384-4502.

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. CSC posts available job opportunities at no charge to employers. For more information, please call the Sierra Vista Campus Center at (520) 515-5457 or the Douglas Campus Center at (520) 417-4750.

Center for Lifelong Learning (CLL)

Nontraditional training and outreach are an important part of the Cochise College mission and the Center for Lifelong Learning (CLL) offering a wide variety of training services to individuals and

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

The region offers a unique combination of historical and natural attractions. The border location makes the college the logical setting for a center dedicated to exploring, disseminating, and protecting cultural and natural resources and contributing to the economic development of the area. CLL continues its mission of establishing the college as a leader in border related studies, training, and research and is 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) 515-5492 or email training@cochise.edu.



Cochise College Foundation

The Cochise College Foundation promotes student success through scholarships, facilities development, and program support. By supporting Cochise College, the foundation endeavors to increase the college's accessibility to its diverse and changing communities.

The foundation was incorporated in 1967 and is a 501(c)(3) tax-exempt organization. A volunteer board of directors, representing communities across the district, meets regularly to assure stewardship of funds, oversee activities, review donations, approve financial reports, and develop fundraising strategies.

The foundation offers a variety of giving opportunities, while also providing a wide range of scholarship assistance to students and program assistance to Cochise College departments. During the 2008-09 academic year, the foundation awarded more than \$500,000 in scholarships, including \$176,000 in designated scholarships provided by community organizations. Many donors have established endowments, with interest directed toward scholarships and program support at Cochise College.

To make a tax-deductible gift to support the Cochise College, or for more information, contact the Cochise College Foundation at foundation@cochise.edu or (520) 417-4100.

Libraries

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

Small Business Development Center (SBDC)

SBDC provides free one-on-one counseling on any small business topic including marketing, financial planning, business planning, computer information systems, human resource management, government procurement, recordkeeping, and more. The SBDC sponsors workshops

and seminars on a variety of topics designed specifically for small business owners. The SBDC also makes available a library of business resources, which includes many of the latest small business books, videotapes, audiotapes, newsletters, and magazines. For more information call (520) 515-5478, or email sbdc@cochise.edu.

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 at a significantly reduced rate for qualifying courses. Qualified students interested in skilled occupations or technical careers have the opportunity to begin their education at Cochise College while still in high school. Funding is provided by Cochise College and the Wolslager Foundation. Students may choose from courses in the areas of agriculture, welding, avionics, business, computer information systems, nursing assisting, culinary arts, and more. For more information, call (800) 966-7943, ext. 5347; email douglasr@cochise.edu; or visit www.cochise.edu/TechPrep.

Cochise College Governing Board

Mrs. Jan Guy, Chair

Mrs. Jane C. Strain, Secretary

Mr. David DiPeso

Dr. John M. Eaton

Mr. Don Hudgins

Cochise College Administration

Dr. James D. Rottweiler, President

Dr. Verlyn Fick, 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



Community resources

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Building Department (120 W. 6th St.) (520) 586-2003

Building Inspector (520) 720-6318

City Attorney (520) 287-3462

City Clerk (120 W. 6th St.) (520) 720-6311

City Manager (520) 586-2245 x2019

Finance/Billing Department (520) 586-2245

Finance Director (520) 720-6314

Fire Chief (520) 586-9832

Human Resources (520) 586-2245 x2024

Library Director (520) 586-9535

Maintenance Yard (898 N. Madison Ave.) (520) 586-3111

Parks (435 N. Adams St.) (520) 586-9645

Permit Technician (520) 720-6320

Planning & Zoning (120 W. 6th St.) (520) 720-6328

Planning Technician (520) 720-6328

Police Chief (520) 586-2211

Public Works (120 W. 6th St.) (520) 586-1385

Public Works Director (520) 720-6325

Recreation (705 Union St.) (520) 720-6044

Utilities (120 W. 6th St.) (520) 586-2245

Utilities (Gas Emergency – 24 Hour) (520) 586-9454 or 911

BENSON CITY LANDFILL

980 N. Madison Street, Benson, AZ 85602

Telephone (520) 586-2095

BENSON COMMUNITY/SENIOR CENTER

705 West Union Street, Benson, AZ 85602

Telephone (520) 720-6044

Fax (520) 720-6126

BENSON FIRE DEPARTMENT

375 E. 7th Street, Benson, AZ 85602

PO Box 2223

Emergency 911

All other business (520) 586-9832

Fax (520) 720-6192

BENSON MAGISTRATE COURT

126 W. 5th Street, Benson, AZ 85602

Telephone (520) 586-8100

Fax (520) 586-9647

BENSON MUNICIPAL AIRPORT

2200 W. Aviation Drive, Benson, AZ 85602
 Telephone (520) 586-3262
 Telephone (Automated Weather) (520) 586-4409
 Email info@swernaviation.com
 Website www.swernaviation.com

BENSON MUNICIPAL POOL

705 W. Union Street, Benson AZ 85602
 Telephone (Summer Hours) (520) 720-6072
 Telephone (520) 720-6044
 Fax (520) 720-6126

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 (104 W. Harvest Way) (520) 586-3600

BENSON PUBLIC LIBRARY

300 S. Huachuca Street, Benson, AZ 85602
 Telephone (520) 586-9535
 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.benonvisitorcenter.com

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

PO Box 2255, 234 E. 4th Street, Benson, AZ 85602
 Telephone (520) 586-2842
 Fax (520) 586-7477
 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 dwoodall@bensonsd.k12.az.us
 Website www.bensonsd.k12.az.us

COCHISE COLLEGE BENSON CENTER

1025 State Route 90, Benson, AZ 85602
 Telephone (520) 586-1981
 Fax (520) 586-2150
 Email millerr@cochise.edu

INDUSTRIAL DEVELOPMENT AUTHORITY OF BENSON

PO Drawer 2255, Benson, AZ 85602
 Telephone (520) 586-2842

NEW WEST CHARTER SCHOOL

3225 W. Navajo Trail, Benson, AZ 85602
 Telephone (520) 586-1976
 Fax (520) 586-1655

SAN PEDRO VALLEY ARTS & HISTORICAL SOCIETY

180 South San Pedro Street, Benson, AZ 85602
 PO Box 1090
 Telephone (520) 586-3070
 Website www.bensonmuseum.com

SAN PEDRO VALLEY NEWS SUN

200 S. Ocotillo Street, Benson, AZ 85602
 PO Box 1000
 Telephone (520) 586-3382
 Fax (520) 586-2382
 Website www.bensonnews-sun.com

SOUTHEAST ARIZONA ECONOMIC DEVELOPMENT GROUP

Telephone (520) 265-6058
 Email saedg09@gmail.com
 Website www.saedg.org

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

ST. DAVID UNIFIED SCHOOL DISTRICT

70 Patton Street, P.O. Box 70, St. David, AZ 85630
 Telephone (520) 720-4781
 Fax (520) 720-4783
 Email dcarpenter@mail.stdavid.org
 Website www.stdavidschools.org

COCHISE COUNTY

COCHISE COUNTY ADULT PROBATION
 126 W. 5th Street, Benson, AZ 85602
 Telephone (520) 586-8240
 Website www.cochise.az.gov

COCHISE COUNTY AGING & SOCIAL SERVICES

126 W. 5th Street, Benson, AZ 85602
 Telephone (520) 586-8220
 Website www.cochise.az.gov

COCHISE COUNTY ASSESSOR

126 W. 5th Street, Suite 7, Benson, AZ 85602
 Telephone (520) 586-8170
 Website www.cochise.az.gov

COCHISE COUNTY BOARD OF SUPERVISORS
 1415 Melody Lane, Bldg. G, Bisbee, AZ 85603
 Telephone (520) 432-9200
 Fax (520) 432-5016
 Website www.cochise.az.gov

COCHISE COUNTY HEALTH DEPARTMENT
 126 W. 5th Street, Benson, AZ 85602
 Telephone (520) 586-8200
 Website www.cochise.az.gov

COCHISE COUNTY HIGHWAY & FLOODPLAIN
 126 W. 5th Street, Room 239, Benson, AZ 85602
 Telephone (520) 586-8283
 Website www.cochise.az.gov

COCHISE COUNTY JUSTICE COURT # 3
 126 W. 5th Street, Suite 1, Benson, AZ 85602
 Telephone (520) 586-8100
 Website www.cochise.az.gov

COCHISE COUNTY JUVENILE COURT SERVICES
 126 W. 5th Street, Suite 5, Benson, AZ 85602
 Telephone (520) 586-8120
 Website www.cochise.az.gov

COCHISE COUNTY PLANNING & ZONING
 126 W. 5th Street, Benson, AZ 85602
 Telephone (520) 432-9240
 Website www.cochise.az.gov

COCHISE COUNTY ROADYARD - BENSON
 901 E. 4th Street, Benson, AZ 85602
 Telephone (520) 586-3272
 Website www.cochise.az.gov

COCHISE COUNTY SERVICE CENTER REPRESENTATIVE
 126 W. 5th Street, Benson, AZ 85602
 Telephone (520) 586-8140
 Website www.cochise.az.gov

COCHISE COUNTY SHERIFF
 126 W. 5th Street, Benson, AZ 85602
 Telephone (520) 586-8150
 Website www.cochise.az.gov

ARIZONA DEPARTMENT OF PUBLIC SAFETY
 6401 S. Tucson Blvd., Tucson, AZ 85706
 Telephone (520) 746-4500

U. S. CUSTOMS AND BORDER PROTECTION AGENCY (HOMELAND SECURITY)
 3867 South Towner Avenue, Naco, AZ 85620
 Telephone (520) 432-5349
 Telephone # 2 (520) 432-3111
 Fax (520) 432-7798
 Border Patrol (520) 432-4506
 Canine Enforcement Program (520) 432-5349
 CBP Agriculture (520) 432-5349
 Customs Service (520) 432-8022
 Entry Control (520) 397-2050

Export Control (520) 397-2113
 Import Specialist (520) 397-2113
 Report Drug Smuggling (800) 232-5378
 Seizure and Penalties (520) 397-2113
 SENTRI/FAST Enrollment Center (520) 397-2113

U.S. POST OFFICE
 250 S. Ocotillo Avenue, Benson, AZ 85602
 Telephone (520) 586-3422
 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
 625 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
 Website www.seafcu.com/seafcu

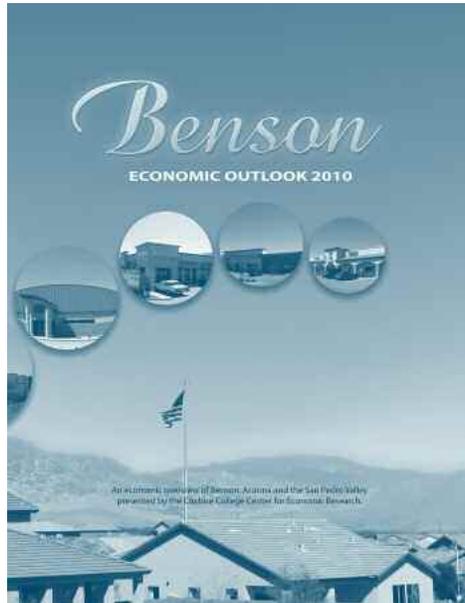
UTILITIES
ARIZONA ELECTRIC POWER CO-OPERATIVE, INC.
 1000 S. Highway 80, Benson, AZ 85602
 Telephone (520) 586-3631
 Website www.aepco.coop

COX COMMUNICATIONS
 150 E. Wilcox Drive, Sierra Vista, AZ 85635
 Telephone (800) 229-6542
 Telephone (520) 458-4705
 Fax (520) 452-4423
 Website www.cox.com

SOUTHWEST GAS
 202 E. Wilcox Drive, Sierra Vista, AZ 85635
 Telephone (800) 428-7324
 Telephone (Gas Leak & Emergencies) (800) 722-4277
 Website www.svgas.com

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE
 285 W. 5th Street, Benson, AZ 85602
 Telephone (520) 586-2238
 Telephone (Outages – After Hours) (800) 422-3275
 Website www.ssvvec.org

QWEST
 134 W. 4th Street, Benson, AZ 85602
 Telephone (800) 491-0118
 Website www.qwest.com



Contact the Center for Economic Research

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