

ECONOMIC OUTLOOK 2017

BENSON ★ ARIZONA



El Dorado
Benson LLC

The Villages at *Vigneto*

APPROVED
Final Community Master Plan
and Development Plan



COCHISE COLLEGE
CENTER FOR ECONOMIC RESEARCH

www.CochiseEconomy.com




COCHISE COLLEGE

GOLD SPONSOR



**Sulphur Springs Valley
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative 

COVER PHOTOS COURTESY OF
EL DORADO BENSON, LLC
SWABACK PARTNERS, PLLC

**COCHISE COLLEGE
PRINT SERVICES**
KEITH RINGEY, COORDINATOR


Sierra
DESIGN & PUBLISHING
www.sierrapub.com

SILVER SPONSORS



BRONZE SPONSORS



MEDIA SPONSORS



Contents

- 1 REVIEW OF THE NATIONAL, STATE, AND LOCAL ECONOMY**
by Dr. Robert Carreira, Chief Economist,
Center for Economic Research
- 3 CITY OF BENSON**
- 5 ECONOMIC DEVELOPMENT**
- 8 EDUCATION**
- 11 HEALTH CARE**
- 13 POPULATION & DEMOGRAPHICS**
- 15 EMPLOYMENT**
- 19 COMMERCE**
- 21 REAL ESTATE**
- 24 BANKING & FINANCIAL SERVICES**
- 25 MEXICO**
- 27 FORT HUACHUCA**
- 28 AGRICULTURE**
- 30 TOURISM**
- 32 COMMUNITY RESOURCES**
- 33 ABOUT THE CER**



Review of the National, State, and Local Economy

National

In 2016, the U.S. economy added 2.2 million jobs for job growth of 1.6 percent (down from 2.7 million jobs/1.9 percent in 2015). In the first six months of 2017, the national economy grew by 1.1 million jobs (essentially unchanged from the first half of 2016). The national unemployment rate in 2016 was 4.9 percent (down from 5.3 percent in 2015). The seasonally adjusted monthly unemployment rate in June 2017 was 4.5 percent (down from 4.9 percent in June 2016).

The nation's real Gross Domestic Product (the broadest measure of economic activity representing the inflation-adjusted value of all goods and services produced in the economy) was up 1.6 percent in 2016—the lowest level of annual growth since 2011. The years 2011 and 2016 were tied for the lowest levels of GDP growth since the end of the Great Recession in 2009. In the first quarter of 2017, U.S. GDP grew at a seasonally adjusted annual rate of 1.4 percent.

Building permits for new single-family homes nationwide were up 10.8 percent in 2016—the fifth consecutive year of growth (following declines in five of six years). In the first five months of 2017, new home permits were up 10.5 percent (from the same period of 2016).

According to data from National Association of Realtors, existing single-family home sales were up 4.1 percent in 2016 (following a 7-percent increase in 2015). In the first five months of 2017, existing home sales were up 2.9 percent from the same period the year prior. The median home price nationwide in 2016 was \$235,500 (up 5.2 percent from 2015). In May 2017, the median home price nationwide was \$254,600 (up 6 percent from May 2016).



Dr. Robert Carreira
Chief Economist
Center for Economic
Research
Cochise College

Arizona

Arizona gained 35,400 jobs in 2016 for job growth of 1.3 percent (down from 82,000 jobs/3.2 percent in 2015). From January through May 2017, Arizona added 9,200 jobs (down from 29,600 new jobs in the first five months of 2016).

In 2016, the statewide unemployment rate was 5.5 percent (down from 6.1 percent in 2015). The seasonally adjusted monthly rate in May 2017 was 5.1 percent (down from 5.3 percent in May 2016).

Arizona's real GDP grew 2.1 percent in 2016 (up from 1.4 percent in 2015 and the highest rate of growth since 2012). Inflation-adjusted retail sales statewide were up 1.7 percent in 2016 but were down 0.6 percent in the first quarter of 2017 (the first quarterly decline in statewide retail sales since The Great Recession). Arizona's restaurant and bar sales were up 6.3 percent in 2016 and 1.4 percent for the first quarter 2017, while hotel/motel receipts were up 3.8 percent in 2016 and 3.2 percent for the first quarter 2017.



Building permits for new single-family homes statewide were up 7.9 percent in 2016 (on the heels of a 30.9 percent increase in 2015). New home construction was up in four of five years from 2012 through 2016 (following six consecutive years of decline). In the first five months of 2017, new home permits in Arizona were up 12.3 percent from the same period of 2016.

According to data from Arizona Regional Multiple Listing Service, home sales by realtors statewide were up 5.3 percent in 2016 (following a 10.3-percent jump in 2015). The year 2016 was the second year of growth in home sales following three consecutive years of decline. In the first half of 2017, home sales in Arizona were up 9.1 percent from the same period the year prior. The statewide median price for a single-family home in June 2017 was \$245,000 (up 6.1 percent from June 2016).

Cochise County

Cochise County lost 300 jobs in 2016 for annual job growth of -0.9 percent (the eighth consecutive year of job losses in Cochise County). In May 2017, the number of nonfarm jobs countywide was down by 100 (-0.3 percent) from May 2016.

Cochise County's annual unemployment rate in 2016 was 6.1 percent (down from 7.4 percent in 2015). The unadjusted monthly rate in May 2017 was 5.5 percent (down from 5.9 percent in May 2016).

Cochise County's economy slipped into recession in 2011 with a drop in GDP of 0.8 percent. The countywide recession continued with GDP declines of 5.3, 5.1, 4.0, and 1.7 percent in 2012, 2013, 2014, and 2015, respectively. Cochise County's five straight years of declining GDP easily fit most economists' definition of an economic depression.

Retail sales countywide were down 4.7 percent in 2016 and 4.9 percent for the first five months of 2017. Cochise County's restaurant and bar sales were up 2.3 percent in 2016 but were down 3.7 percent in the first five months of 2017, while hotel/motel receipts were down 0.1 percent in 2016 but were up 6.3 percent from January through May 2017.

New residential construction in Cochise County was up 2.2 percent in 2016 (on the heels of a 24-percent decrease in 2015). New home permits were down in 9 of 11 years from 2006 through 2016, hitting a record low in 2015 (with records back to 1990). There were 139 new home permits issued countywide in 2016 (the second-lowest level on record, just off the record low of 136 the year prior). In the first five months of 2017, new home permits in Cochise County were up 0.5 percent (compared to the first five months of 2016).

Homes sold by realtors in Cochise County were up 10.2 percent in 2016. Home sales were up in six of eight years from 2009 through 2016 (following three consecutive years of double-digit percent declines). In the first quarter 2017, home sales countywide were up 25.9 percent. The median home price in Cochise County in 2016 was \$125,000 (up 1.2 percent from 2015). The year 2016 was the second consecutive year of home price increases following seven straight years of decline. In the first quarter 2017, the median home price countywide was up 3.3 percent from the first quarter 2016.

Benson

Benson's annual unemployment rate in 2016 was 5.3 percent (down from 6.2 percent in 2015). In May 2017, the city's unadjusted monthly rate was 4.8 percent (down from 5.1 percent in May 2016).

Retail sales in Benson were down 7.4 percent in 2016. Benson's

restaurant and bar sales were up 0.3 percent in 2016, while the city's hotel/motel receipts were up 1.7 percent.

There were 176 homes sold by realtors in the Benson area in 2016 (down 0.6 percent from 2015). The median home price in 2016 was \$122,000 (up 16.2 percent from the year prior).

Benson's restaurant and bar sales were up 0.3 percent in 2016, while the city's hotel/motel receipts were up 1.7 percent.



City of Benson

Benson is the fourth largest of seven incorporated cities/towns in Cochise County. The city is at an elevation of 3,585 feet located 45 miles southeast of Tucson and 160 miles southeast of Phoenix along several trade routes: Interstate 10, state routes 80 and 90, and the main line of the Union Pacific Railroad. In the late 1800s and early 1900s, Benson was the railroad hub of Southern Arizona—an image that characterizes the city’s culture today. Ranching and agriculture are also part of the area’s history and continue today.

For more information, visit www.CityOfBenson.com or www.BensonVisitorCenter.com.

BENSON TRANSACTION PRIVILEGE (SALES) TAX RATES (%)

CATEGORY	COUNTY AND STATE	CITY OF BENSON	TOTAL
Retail Sales	6.10%	3.5%	9.60%
Retail Sales (Single Item over \$5,000)	6.10%	1.0%	7.10%
Hotel/Motel	6.05%	5.5%	11.55%
Construction Contracting	6.10%	4.0%	10.10%

Note: Rates as of July 1, 2017. Includes selected categories only.

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

SIERRA VISTA/DOUGLAS MSA COST OF LIVING

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANSPORTATION	HEALTH CARE	MISC. GOODS & SERVICES
2012	102.5	97.8	102.8	103.4	106.6	99.5	102.7
2013	98.0	91.3	95.4	99.2	101.1	97.4	101.4
2014	97.3	94.7	93.6	102.8	102.6	96.5	98.1
2015	95.3	94.3	93.7	103.8	99.3	94.7	93.2
2016	95.0	101.7	91.4	102.0	100.0	95.0	91.9

Note: Sierra Vista-Douglas MSA is a statistical area designation for all of Cochise County.
Source: Council for Community and Economic Research (C2ER), Cost of Living Index.

COST OF LIVING

	SIERRA VISTA-DOUGLAS MSA*	TUCSON	PHOENIX	FLAGSTAFF	BULLHEAD CITY	PRESCOTT-PRESCOTT VALLEY	YUMA
2012	102.5	95.5	96.8	111.6	91.9	98.6	105.2
2013	98.0	95.6	96.0	113.3	93.4	98.1	104.2
2014	97.3	97.0	96.2	117.9	93.8	97.9	101.3
2015	95.3	92.8	95.9	116.4	92.4	96.3	99.8
2016	95.0	93.1	97.0	113.6	94.1	96.0	97.8

*The Sierra Vista-Douglas MSA is a statistical area designation for all of Cochise County.
Source: Council for Community and Economic Research (C2ER), Cost of Living Index.

COST OF LIVING INDEX

The Cost of Living Index, published by Council for Community and Economic Research, compares costs of more than 250 participating areas in all 50 states. The average for all participating places nationwide equals 100 and each participant's index is read as a percentage of the average for all places.

BENSON PROPERTY TAX RATES PER \$100 ASSESSED VALUE (2016)

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Benson	0.5838	•	0.5838
Benson Unified School District	3.9347	3.0979	7.0326
San Pedro Valley Hospital	•	0.9000	0.9000
Cochise Joint Technical District	•	0.0500	0.0500
Cochise County General Government*	2.6276	•	2.6276
Library*	•	0.1451	0.1451
Flood Control*	•	0.2597	0.2597
Cochise College*	2.2860	•	2.2860
Fire District Assistance Tax*	•	0.1000	0.1000
School District Assistance Tax**	0.5010	•	0.5010
TOTAL	9.9331	4.5527	14.4858

Note: Rates are established the third Monday in August.

*Rate applies to all property in Cochise County.

**Rate applies to all property in Arizona.

Source: Cochise County Treasurer and Cochise College Center for Economic Research.

PROPERTY TAX ASSESSMENT RATIOS

- CLASS 1: Mines, mining claim property, and standing timber; local telecommunications, utilities, pipelines, and oil and gas producing; and commercial and industrial real property not included in other classes (18 percent of cash value)
- CLASS 2: Agricultural real property, golf courses, and vacant land (15 percent of cash value)
- CLASS 3: Owner-occupied residential property (10 percent of cash value)
- CLASS 4: Leased or rented residential property (10 percent of cash value)
- CLASS 5: Railroads, private car companies, and airline flight property (21 percent of cash value)
- CLASS 6: Noncommercial historic property, foreign trade zones, military reuse, environmental technology, and environmental remediation property (5 percent of cash value)
- CLASS 7: Improvements to commercial historic property (1 percent of cash value for up to 10 years)
- CLASS 8: Improvements to historic residential rental property (1 percent of cash value for up to 10 years)
- CLASS 9: Possessor interests (1 percent of cash value for up to 10 years)



Economic Development

Local Organizations

SOUTHEAST ARIZONA ECONOMIC DEVELOPMENT GROUP

SAEDG works with existing and prospective business owners and other stakeholders to identify, develop, and expand opportunities within the region. The organization works closely with private and public partners to promote business ownership and related support channels in Southeast Arizona. Roles and functions include:

- Serve as an economic development entity for municipalities in Southeast Arizona
- Provide a central point of contact for businesses and industries interested in locating to the region
- Represent municipalities in Arizona Commerce Authority programs
- Create and execute business recruitment, marketing, expansion, and retention programs
- Assist in site selection, zoning, and permitting processes

For more information, visit www.SAEDG.org.

BENSON/SAN PEDRO VALLEY CHAMBER OF COMMERCE

Benson/San Pedro Valley Chamber of Commerce seeks to unite all industrial, commercial, and governmental interests for the purpose of concerted action in supporting those activities that are beyond the scope of any single business or industry and that promote the welfare of Benson and surrounding areas. Its mission is to proactively support and promote members' business success. Its vision is to preserve the competitive enterprise system, promote business and community growth and development, and assist businesses through promotion and education.

For more information, visit www.BensonChamberAZ.org.

COCHISE COLLEGE CENTER FOR ECONOMIC RESEARCH

CER provides economic information, analysis, and forecasting to help leaders in the public, private, and nonprofit sectors make better-informed decisions.

For more information, see the 'About the Center for Economic Research' section of this publication or visit www.CochiseEconomy.com.

COCHISE COLLEGE SMALL BUSINESS DEVELOPMENT CENTER

SBDC is staffed with business counselors, analysts, and technology specialists who provide one-on-one confidential assistance for small businesses at every stage of development. SBDC provides counseling and assistance in planning, marketing, accounting, start-up, licensing, strategic planning, government procurement, technology, and sources of capital, with special initiatives in veterans' assistance, clean technology, and international trade. SBDC partners with U.S. Small Business Administration and Association of Small Business Development Centers to provide local access to nationwide resources.

For more information, visit www.Cochise.edu/SBDC.

SOUTHEASTERN ARIZONA GOVERNMENTS ORGANIZATION

SEAGO is a council of governments serving local and tribal governments in the four-county region (Cochise, Graham, Greenlee, and Santa Cruz counties) and is a designated Economic Development District (EDD) by U.S. Economic Development Administration (EDA). SEAGO's EDD program assists distressed areas, planning regions, cities, and counties in economic development planning, policymaking, and implementation. As an EDD, SEAGO has responsibility for developing the Regional Comprehensive Economic Development Strategy (CEDS)—a guide to economic development initiatives throughout the region. The CEDS process, which includes input from member entities, enables SEAGO members to apply for federal grant funding. In 2016, SEAGO completed and submitted its 5-year CEDS to EDA; EDA accepted the document making it the 'roadmap' for SEAGO's economic development support to communities in the region.

For more information, visit www.SEAGO.org.

ARIZONA@WORK—SOUTHEASTERN ARIZONA

Arizona@Work—Southeastern Arizona serves the Cochise, Graham, and Greenlee County region as part of the statewide workforce development network providing innovative workforce solutions at the local level. Arizona@Work assists employers with worker recruitment (including posting job announcements), development, and retention, as well as business closure. Assistance is also provided to job seekers, including pre-employment preparation, training programs, and job-search resources. All business and job-seeker services are provided at no cost through public and private partnerships. Veteran representatives are on staff and veterans receive priority service. Program partners with Vocational Rehabilitation. Arizona@Work is a partner of the American Job Center network.

For more information, visit www.ArizonaAtWork.com/SoutheasternAZ.

Major Assets

BENSON MUNICIPAL AIRPORT

Benson Municipal Airport (FAA Airport Identifier E95) is a full-service, general aviation airport located on 140 acres approximately 3 miles north of the city's center, and is owned and operated by the city. The airport is at an elevation of 3,829 feet and serves helicopters, single-engine aircraft, and small multiengine general aviation aircraft. Southwestern Aviation is the airport's fixed-base operator. 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. In recent years, Southeast Arizona Economic Development Group, in partnership with the Sierra Vista Economic Development Foundation and other organizations, has sought to market the airport for government and commercial unmanned aerial systems testing and development.

For more information, visit www.SwernAviation.com.

SAN PEDRO & SOUTHWESTERN RAILROAD

San Pedro & Southwestern Railroad provides connections with Union Pacific's Los Angeles—Chicago main line at Benson and Willcox. Primary sources of traffic include agricultural chemicals, feed grains, and building products. SPSR offers rail-to-truck transload at its 3-acre facility in Benson.

For more information, visit www.SanPedroSouthwesternRR.com.

AMTRAK

Benson is home to Cochise County's only AMTRAK station, providing passenger boarding and detraining (the Benson stop does not provide ticketing or baggage services). Although the stop consists of only a shelter structure and platform, it is located adjacent the Benson Visitor Center—Train Depot, a replica of the original railroad depot from the late 1800s. Benson Visitor Center, Benson/San Pedro Valley Chamber of Commerce, and Southeast Arizona Economic Development Group are advancing plans to use the AMTRAK service to promote tourism to the city, to include establishing connecting bus service to the station.

FOREIGN TRADE ZONE

Cochise County has industrial property designated as a foreign-trade zone (FTZ-139). Companies located in the FTZ can use special procedures that allow delayed or reduced duty payments on foreign merchandise. Other benefits include:

- no duties or quota charges on re-exports;
- deferred customs duties and federal excise tax on imports;
- in cases where manufacturing results in a finished product with a lower duty rate than the rates on foreign inputs (inverted tariff), finished products may be entered at the duty rate that applies to its condition as it leaves the zone (subject to public interest considerations);
- access to streamlined customs procedures such as weekly entry or direct delivery; and
- exemption from state and local inventory taxes for foreign and domestic goods held for export.

Merchandise in the zone may be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed, and destroyed. Retail trade is prohibited in the zone. Before a firm may use the FTZ, it must obtain approval from U.S. Customs and Border Protection for activation of the space to be used, must meet CBP requirements for security and inventory control, and is responsible for all fees associated with activating and running the site.

For more information, visit www.AREDF.org.

Arizona Economic Development Incentives

For more information on these and other Arizona economic development incentives, visit www.AzCommerce.com.

ADDITIONAL DEPRECIATION

Accelerates depreciation schedules for prospective acquisitions of commercial personal property

ANGEL INVESTMENT

State income tax credit for capital investment in small businesses certified by Arizona Commerce Authority

COMMERCIAL/INDUSTRIAL SOLAR

State income tax credit for installation of solar energy devices in business facilities

COMPUTER DATA CENTER PROGRAM

Transaction privilege tax and use tax exemptions at state, county, and local levels on qualifying purchases of computer data center equipment

HEALTHY FOREST

Incentives for certified businesses primarily engaged in harvesting, processing, or transporting qualifying forest products

JOB TRAINING

Reimbursable grants up to 75 percent of eligible training expenses for employers creating new jobs

LEASE EXCISE

Reduces a project's operating costs by replacing real property tax with an excise tax

PRIVATE ACTIVITY BONDS

Securities issued by or on behalf of a local government to provide debt financing for projects used for a trade or business

QUALIFIED ENERGY CONSERVATION BONDS

Tax credit bonds originally authorized by Tax Extenders and Alternative Minimum Tax Relief Act of 2008

QUALIFIED FACILITY

Refundable state income tax credit for eligible companies making capital investment to establish or expand qualified facilities

QUALITY JOBS

Up to \$9,000 state income or premium tax credits spread over a three-year period for each net new quality job

RENEWABLE ENERGY TAX INCENTIVE

Up to 10 percent refundable state income tax credit and 75 percent reduction on real and personal property taxes for companies engaged in solar, wind, geothermal, and other renewable energy industries

RESEARCH & DEVELOPMENT

State income tax credit for increased research and development activities

SALES TAX EXEMPTIONS FOR MANUFACTURING

Sales tax exemption for various machinery and equipment

WORK OPPORTUNITY

Federal tax credit for hiring individuals from groups consistently faced with significant barriers to employment



Education

Benson Unified School District

Benson Unified School District has one elementary, one middle, and two high schools including San Pedro Valley High School—an alternative high school that uses a web-based instructional model. BUSD also operates San Pedro Valley Online Academy, which offers online instruction for grades 6 through 12. In 2013, BUSD was ranked the top performing school district in the state by Arizona Department of Education and in other years has consistently been ranked near the top. Career and technical education programs at Benson High School include agriculture, construction, culinary arts, business, and graphic design. In 2016, the district began offering preschool.

For more information, visit www.BensonSD.k12.AZ.US.

PER PUPIL SPENDING (2016)

	BENSON UNIFIED SCHOOL DISTRICT	ST. DAVID UNIFIED SCHOOL DISTRICT	ARIZONA AVERAGE
Instruction	\$3,892	\$4,996	\$4,145
Administration	894	1,292	806
Plant Operations	985	1,216	939
Food Service	338	208	415
Transportation	471	394	364
Student Support	780	1,325	633
Instruction Support	224	63	444
Total (operational)	\$7,584	\$9,494	\$7,746

Source: Arizona Office of the Auditor General.

SCHOOL ENROLLMENT

	2013	2014	2015
Benson Unified School District	1,126	1,245	1,271
Benson High School (9-12)	351	364	388
Benson Middle School (5-8)	333	367	370
Benson Primary School (pre-K-4)	404	470	473
San Pedro Valley High School (9-12)	28	37	30
San Pedro Valley Online Academy (5-12)	10	7	10
St. David Unified School District	426	435	398
St. David High School (9-12)	144	147	126
St. David Elementary School (pre-K-8)	282	288	272
Charter Schools	76	47	47
New West Schools (K-8) *	42	0	0
Visions Unlimited Academy (K-8)	34	47	47

*School closed.

Note: Figures reflect enrollment as of October 1 of the year.

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

STUDENT AND TEACHER MEASURES (2016)

	BENSON UNIFIED SCHOOL DISTRICT	ST. DAVID UNIFIED SCHOOL DISTRICT	ARIZONA
Attendance Rate (2015)	95%	94%	94%
Graduation Rate (2015)	82%	97%	78%
Poverty Rate (2015)	20%	14%	23%
Students per Teacher	20.6	14.7	18.6
Average Teacher Salary	\$42,708	\$45,999	\$46,384
Average Years Teacher Experience	12.0	14.3	11.0
Percentage of Teachers in First 3 Years	16%	12%	20%

Source: Arizona Office of the Auditor General.

St. David Unified School District

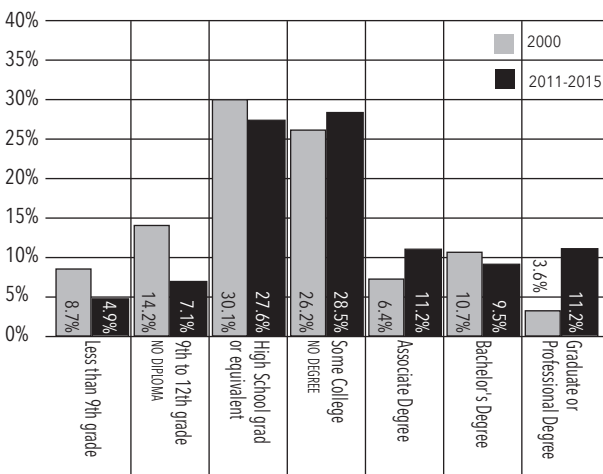
St. David Unified School District has one elementary school (grades pre-kindergarten through 8) and one high school. The district's high school graduation rate is consistently among the highest in the state and well above the statewide average. Career and technical education programs at St. David High School include agriculture, business, and culinary arts.

For more information, visit www.StDavidSchools.org.

Charter Schools

Visions Unlimited Academy (K-8)
(www.VisionsUnlimitedAcademy.com)

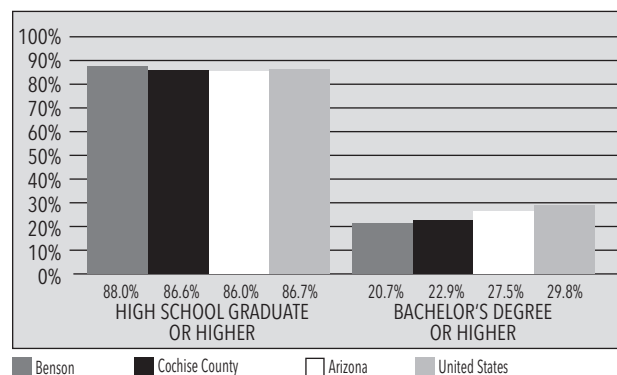
BENSON EDUCATIONAL ATTAINMENT



Note: Population 25 years and older.

Source: U.S. Census Bureau (Census 2000 and 2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research.

EDUCATIONAL ATTAINMENT



Note: Population 25 years and older.

Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research.

Cochise College

Cochise College is a two-year community college with campuses in Douglas and Sierra Vista and learning centers in Benson, Willcox, and on Fort Huachuca. The college also offers classes online. Cochise College offers two-year degree and certificate programs in a variety of fields, noncredit personal enrichment classes, GED, English Language Acquisition, workforce training, and numerous other learning opportunities through its Center for Lifelong Learning, Adult Education Center, and Small Business Development Center. The college's Center for Economic Research tracks trends in the local economy and conducts local economic research.

Cochise College's 13,000 square-foot Benson Center has a 15-seat computer lab, nursing lab, virtual library, four articulated classrooms that together can accommodate up to 200 students, a distance learning classroom, and science lab/art room. The Benson Center provides traditional college courses, adult education, and personal interest classes. Students can complete an associate degree at the Benson Center through a combination of in-class, interactive television, and online courses. 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.

For more information, visit www.Cochise.edu.

COCHISE COLLEGE TWO-YEAR DEGREE PROGRAMS

Administration of Justice	Education	Network Technology
Agriculture	Electronics Technology	Nursing
Automotive Technology	Elementary Education	Paramedicine
Aviation Dispatch	Engineering	Philosophy
Avionics Technology	Engineering Technology	Physics
Biology	English	Professional Administrative Assistant
Building Construction Technology	Equine Science and Management	Professional Pilot Technology
Business Administration	Exercise Science, Health and Physical Education, Recreation and Wellness	Psychology
Business Management	Fine Arts	Remotely Piloted Vehicle Operations
Chemistry	Fire Science Technology	Respiratory Therapy
Cisco and Linux Networking	General Requirements	Social Sciences
Communications	General Studies	Social Work
Computer Information Systems	Humanities	Theatre Arts
Computer Programming	Intelligence Operations Studies	Unmanned Aerial Vehicle Flight Operator
Computer Science	Journalism and Media Arts	Unmanned Aircraft Systems and Operations
Culinary Arts	Logistics Supply Chain Management	Unmanned Aircraft Systems Technician
Cybersecurity	Mathematics	Welding Technology
Early Childhood Care and Education	Media Production Arts	
Economics	Music	



Health Care

In addition to Benson Hospital, the Benson area is home to several other healthcare providers including Chiricahua Community Health Centers, Inc. mobile clinic (www.CCHCI.org), Good Samaritan Society-Quibiri Mission skilled nursing center (www.Good-Sam.com), behavioral health providers Cenpatico (www.Cenpatico.com), Community Bridges (CommunityBridgesAZ.org), and Southeast Arizona Behavioral Health Services (www.SEABHS.org), and numerous private-practice physicians.

Benson Hospital

Benson Hospital includes six local physicians, four mid-level providers, and specialists in cardiology, podiatry, and renal care. Mammography units visit the hospital. The availability of specialists in various fields varies with economic changes. Technical staff includes certified technologists, technicians, and various technical assistants.

Benson Hospital has an 8-bed emergency room, provides 24-hour emergency care (including trauma, cardiac, and respiratory care) and can transfer patients to nearby facilities when necessary. Benson Hospital's emergency room is certified as a Level IV Trauma Center. Inpatient services include acute care, skilled nursing, swing beds, hospice care, respiratory therapy, and inpatient drug therapy. Comprehensive laboratory and imaging services are offered, as well as nutritional consultations. Rehabilitation services are available on site. The hospital also provides a variety of outpatient services including IV hydration, IV antibiotic therapy, injections, EKGs, respiratory therapy, and wound therapy. Benson Hospital has 22 acute-care beds with cardiac telemetry capability. In 2014, the hospital launched an occupational medicine program providing pre-employment evaluations, emergency care for work-related injuries, and other related services.

Benson Hospital offers physical therapy, occupational therapy, and speech therapy in various settings including at the hospital, nursing homes, patient homes, and work sites. The hospital has an affiliation in telemedicine with St. Joseph's Hospital in Tucson to provide stroke assessment in Benson Hospital's emergency room. The program connects a trauma surgeon at St. Joseph's with the emergency room physician by remote technology when needed. In 2017, the hospital opened its Retail Care Clinic offering screening, monitoring, care for minor illness and injuries, and laboratory services.

For more information, visit www.BensonHospital.org.

HOSPITAL MILEAGE CHART

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

Source: Cochise College Center for Economic Research.



Population & Demographics

The population of Benson as of 2016 was just under 5,000. The city is part of a larger community with a total population of 12,520 (as of Census 2010) including St. David, Mescal, Pomerene, and other nearby unincorporated areas in the northwest corner of Cochise County. The population of the area swells considerably from October through April each year with an influx of winter visitors, many of whom reside in RV/travel trailer parks. As of the 2011-2015 American Community Survey, 7.7 percent of housing units in Benson were classified as “Boat, RV, van, etc.” compared to just 1 percent countywide.

Of the county’s seven incorporated cities/towns, Benson is projected to see the fastest population growth averaging 1.3 percent annually in the near term (to 2020) and 1.2 percent in the long term (to 2050) according to Arizona Office of Economic Opportunity. Growth rates may be much higher than projected by OEO depending upon the success of The Villages at Vigneto development planned by El Dorado Holdings. El Dorado expects to build 28,000 homes in Benson in as little as 18 years, transforming the city into a community of nearly 65,000 by 2040 (*for more information, see the Real Estate section of this publication*).

POPULATION

	BENSON		COCHISE COUNTY		ARIZONA	
	POPULATION	GROWTH %	POPULATION	GROWTH %	POPULATION	GROWTH %
1990	3,824	-8.7	97,624	12.9	3,680,800	34.7
2000	4,711	23.2	117,755	20.6	5,130,632	39.4
2010	5,105	8.4	131,346	11.5	6,392,017	24.6
2011	5,077	-0.5	130,537	-0.6	6,438,178	0.7
2012	5,071	-0.1	130,752	0.2	6,498,569	0.9
2013	5,085	0.3	130,906	0.1	6,581,054	1.3
2014	5,027	-1.1	129,628	-1.0	6,667,241	1.3
2015	4,999	-0.6	129,112	-0.4	6,758,251	1.4
2016	4,981	-0.4	128,343	-0.6	6,835,518	1.1

Note: Growth rates shown for 1990, 2000, and 2010 reflect preceding 10-year period; rates for 2011 forward are annual.
Source: U.S. Census Bureau, Arizona Office of Economic Opportunity, and Cochise College Center for Economic Research.

POPULATION PROJECTIONS

YEAR	BENSON	COCHISE COUNTY
2020	5,309	132,547
2030	5,962	141,122
2040	6,629	148,998
2050	7,482	157,897

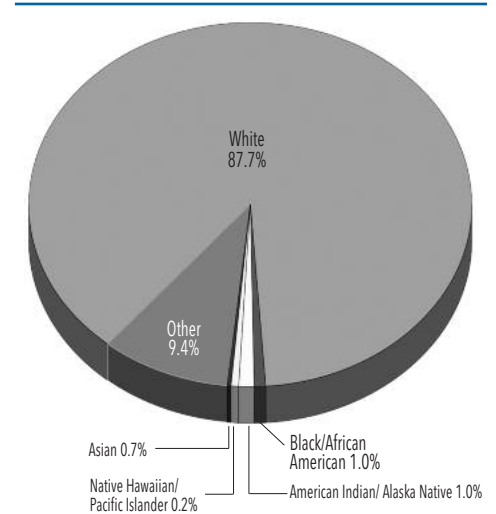
Source: Arizona Office of Economic Opportunity

BENSON AGE GROUP DISTRIBUTION

	2000	2010
Under 5	5.3%	4.9%
5 to 9	5.5%	4.8%
10 to 14	5.7%	5.0%
15 to 19	5.5%	5.2%
20 to 24	4.3%	4.3%
25 to 34	7.4%	9.5%
35 to 44	10.6%	8.1%
45 to 54	12.4%	11.7%
55 to 59	6.0%	7.4%
60 to 64	8.2%	8.0%
65 to 74	16.4%	16.8%
75 to 84	10.0%	10.4%
85 and over	2.9%	4.1%

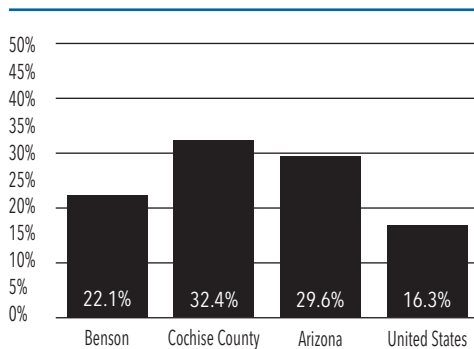
Source: U.S. Census Bureau (Census 2000 and Census 2010) and Cochise College Center for Economic Research.

BENSON RACIAL COMPOSITION



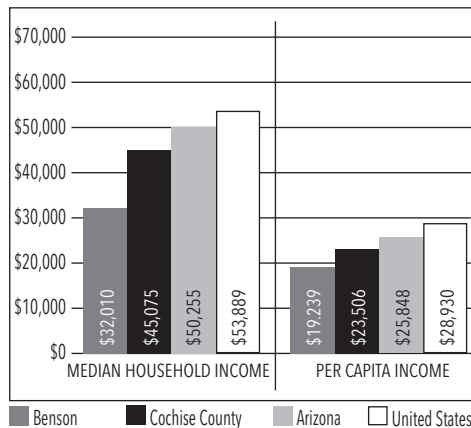
Source: U.S. Census Bureau (Census 2010) and Cochise College Center for Economic Research.

HISPANIC/LATINO POPULATION



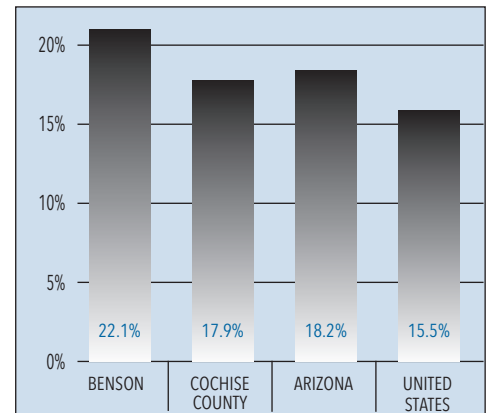
Source: U.S. Census Bureau (Census 2010) and Cochise College Center for Economic Research.

INCOME



Note: All figures expressed in 2015 dollars.
Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research.

POVERTY LEVEL



Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research.



Employment

Outlook

In Cochise County, the largest threat to labor market improvement in recent years has come from defense budget cuts impacting Fort Huachuca (approximately 30 miles south of Benson) as the result of winding down wars in Iraq and Afghanistan. While the rest of the state and nation suffered through severe effects of the Great Recession in 2008 and 2009, Cochise County was buffered from the worst of it due primarily to increased defense spending on the fort and its missions, which peaked in 2010 and has declined each year since. While defense cuts continue to have a dampening effect on the regional labor market, the Trump Administration's stated interest in increasing defense spending suggests an easing of constraints from recent years. An increased emphasis on defense spending is likely to impact military intelligence, unmanned aerial systems, and cybersecurity missions at Fort Huachuca, which have long been three of the fastest-growing missions in the Army and Department of Defense.

UNEMPLOYMENT RATE (%)

	BENSON	COCHISE COUNTY	ARIZONA	UNITED STATES
2012	7.8	9.0	8.3	8.1
2013	8.0	9.2	7.7	7.4
2014	7.2	8.4	6.8	6.2
2015	6.2	7.2	6.0	5.3
2016	5.3	6.1	5.3	4.9

Source: U.S. Bureau of Labor Statistics, Arizona Office of Economic Opportunity, and Cochise College Center for Economic Research

BENSON LABOR MARKET DATA

	CIVILIAN LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT
2012	1,799	1,658	141
2013	1,717	1,580	137
2014	1,700	1,577	123
2015	1,693	1,588	105
2016	1,683	1,594	89

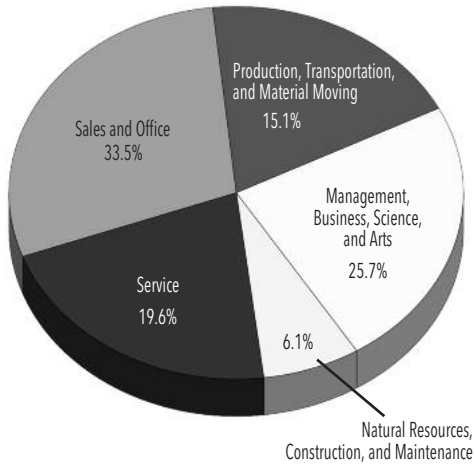
Source: Arizona Office of Economic Opportunity and Cochise College Center for Economic Research

Benson’s proximity to I-10 and Tucson allows it to benefit from a generally improving state and national economy. One example is the anticipated initiation of mining activities at Rosemont Mine in Southeast Pima County, expected to create several hundred jobs drawing labor from surrounding areas including Benson. In June 2017, Rosemont received a major go-ahead from U.S. Forest Service, bringing the project closer to the initiation of construction. Excelsior Mining, with its 9,560-acre Gunnison Copper Project and its 2016 acquisition of Johnson Camp Mine (both of which are in Cochise County between Benson and Willcox) also seems poised to create jobs for workers in the Benson area. A feasibility study completed in late 2016 suggests a 24-year mine life of commercial production following \$47 million in preoperational construction. Further, as the state and national economies continue to improve, Benson’s hospitality indus-

tries will benefit from increased recreational and commercial traffic along Interstate 10.

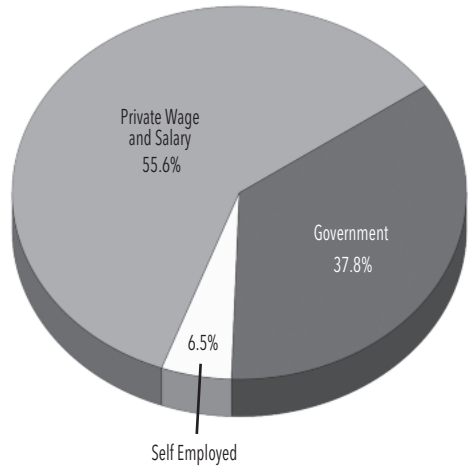
The most significant opportunity for long-term labor market improvement in Benson and Cochise County is the 28,000-home, master-planned ‘The Villages at Vigneto’ development in Benson. Developers anticipate achieving and maintaining an ambitious 2,000-residential-unit annual absorption rate until fully built out (approximately two decades). The development is projected to support 16,355 jobs at peak construction (including construction activity and spending by new residents). Once all construction is complete, spending by new residents is projected to support 8,780 jobs sustained indefinitely into the future. *(For more information, see the Real Estate section of this publication.)*

BENSON OCCUPATIONS



Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research.

BENSON CLASSES OF WORKERS



Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research

INDUSTRIES IN BENSON (BY SHARE OF TOTAL WORKFORCE)

Agriculture, forestry, fishing and hunting, and mining	0.0%
Construction	6.1%
Manufacturing	5.5%
Wholesale trade	3.8%
Retail trade	17.0%
Transportation and warehousing, and utilities	3.2%
Information	0.0%
Finance and insurance, and real estate and rental and leasing	4.8%
Professional, scientific, and management, and administrative and waste management services	8.3%
Educational services, and health care and social assistance	27.5%
Arts, entertainment, and recreation, and accommodation and food services	6.2%
Other services, except public administration	3.4%
Public administration	14.0%

Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates).

Employment data from late 2016 and the first half of 2017 suggests Cochise County's labor market hit bottom during 2016. In the 11 months from July 2016 through May 2017, Cochise County saw modest year-over-year job gains in three months with stabilization in four months and slight declines in four months. That followed persistent job losses over the previous seven and a half years (from the beginning of 2009 through the middle of 2016). Looking forward, continued modest improvement in the regional labor market seems likely

through 2017 and beyond. The recovery could accelerate if the Trump Administration delivers quickly on campaign promises to increase military spending and end sequestration for defense. Increased border security spending through construction and/or more agents assigned would also have positive direct and ripple effects on the regional labor market.

BENSON AREA EMPLOYER BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS (2015)

INDUSTRY	NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS						
	TOTAL	1-4	5-9	10-19	20-49	50-99	100-249
Accommodation and Food Services	30	9	8	8	5	0	0
Admin, Support, Waste Mgmt, Remediation Services	5	3	1	0	0	0	1
Agriculture, Forestry, Fishing and Hunting	2	2	0	0	0	0	0
Arts, Entertainment, and Recreation	5	4	0	1	0	0	0
Construction	13	9	3	1	0	0	0
Educational Services	2	1	0	1	0	0	0
Finance and Insurance	7	3	4	0	0	0	0
Health Care and Social Assistance	27	11	3	6	4	2	1
Information	3	1	2	0	0	0	0
Management of Companies and Enterprises	1	0	0	0	1	0	0
Manufacturing	2	2	0	0	0	0	0
Other Services (except Public Administration)	21	17	4	0	0	0	0
Professional, Scientific, and Technical Services	13	6	5	2	0	0	0
Real Estate and Rental and Leasing	11	8	3	0	0	0	0
Retail Trade	31	15	8	4	2	1	1
Transportation and Warehousing	10	5	3	1	1	0	0
Utilities	4	0	0	1	2	0	1
TOTAL	187	96	44	25	15	3	4

Note: Includes employer businesses located in zip code 85602. Does not include government sector.
Source: U.S. Census Bureau

BENSON AREA EMPLOYERS, EMPLOYEES, AND PAYROLL

	2011	2012	2013	2014	2015
Business Establishments	208	205	193	196	187
Number of Employees*	2,356	2,339	2,188	2,239	2,201
Annual Payroll (\$1,000)	85,478	84,800	79,652	82,628	87,293

*Paid employees for pay period including March 12.
Note: Includes employer businesses located in zip code 85602. Does not include government sector.
Source: U.S. Census Bureau

BENSON AREA TOP EMPLOYERS

Benson Unified School District

Arizona G&T Cooperatives

Benson Hospital

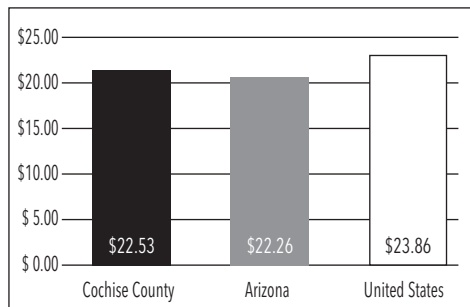
City of Benson

Apache Nitrogen Products, Inc.

Cochise County

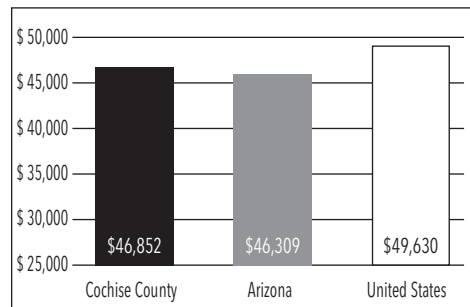
Walmart

AVERAGE HOURLY WAGE (2016)



Source: U.S. Bureau of Labor Statistics and Arizona Office of Economic Opportunity

AVERAGE ANNUAL WAGE (2016)



Source: U.S. Bureau of Labor Statistics and Arizona Office of Economic Opportunity

NONFARM PAYROLL EMPLOYMENT (COCHISE COUNTY)

	2016	2015	CHANGE	CHANGE %
Total Nonfarm	34,200	34,500	-300	-0.9
Total Private	22,700	22,900	-200	-0.9
Goods Producing	1,900	1,800	100	5.6
Construction and Mining	1,300	1,300	0	0.0
Manufacturing	600	600	0	0.0
Service-Providing	32,300	32,700	-400	-1.2
Private Service-Providing	20,800	21,000	-200	-1.0
Trade, Transportation, and Utilities	6,000	6,000	0	0.0
Information	400	500	-100	-20.0
Financial Activities	1,000	1,000	0	0.0
Professional and Business Services	3,800	4,000	-200	-5.0
Educational and Health Services	5,000	4,800	200	4.2
Leisure and Hospitality	3,600	3,800	-200	-5.3
Other Services	900	900	0	0.0
Government	11,500	11,600	-100	-0.9
Federal Government	5,000	5,100	-100	-2.0
State and Local Government	6,500	6,500	0	0.0

Note: Numbers are rounded to the nearest 100; discrepancies are due to rounding.

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



Commerce

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 section of Interstate 10 that runs through Benson is one of the busiest stretches of highway in Cochise County.

AVERAGE ANNUAL DAILY TRAFFIC COUNT (BENSON AREA)

ROUTE	LOCATION	2012	2013	2014	2015	2030*
I-10	Exit 297 to Exit 299	24,842	23,133	25,254	24,541	42,500
I-10	Exit 299 to Exit 302	28,303	28,604	23,306	30,081	40,000
I-10	Exit 302 to Exit 303	27,410	24,076	28,567	25,257	41,500
I-10	Exit 303 to Exit 304	14,667	13,238	23,986	16,954	29,000
I-10	Exit 304 to Exit 306	13,869	15,365	15,632	16,078	27,000
SR 80	SB-10(3) to Country Club Dr	8,852	8,856	8,892	9,022	13,500
SR 80	Country Club Dr to Post Ranch Rd	7,195	7,228	7,313	7,518	9,900
SR 80	Post Ranch Rd to Apache Powder Rd (South)	2,911	6,542	6,568	6,624	8,500
SR 80	Apache Powder Rd (South) to ADOT Maintenance Yard Entrance	5,683	5,959	5,996	5,741	9,100
SR 80	ADOT Maintenance Yard Entrance to Judd St	4,049	4,328	4,345	4,298	6,500
SR 90	I-10 Exit 302 to Kartchner Caverns Main Entrance	10,235	9,506	9,210	9,568	15,500

Source: Arizona Department of Transportation.

*PROJECTED

Outlook

Growth trends toward the end of 2016 and early 2017 suggest continued instability in retail, hotel/motel, and restaurant/bar sales in Benson. Retail sales in the city were down 9.1 percent for the first three months of 2017 and were down in year-over-year comparisons in 11 of 15 months ended March 2017. Restaurant and bar sales were down 5 percent for the first quarter 2017 and year-over-year sales were down in nine of 15 months, while hotel/motel receipts were down 16.2 percent for the first three months of the year and were down in eight of 10 months. As of early 2017, there was little sign of a turnaround in commerce in the city.

In the longer term, the 28,000-home, master-planned ‘The Villages at Vigneto’ in Benson, if successful in achieving and maintaining an ambitious 2,000-residential-unit annual absorption rate (until fully built out) as anticipated by developers, is projected to have a \$23.8 billion impact on the regional economy over the planned 18-year construction period, impacting every industry in the region. Once all construction is complete, spending by new residents of the community is projected to generate \$1.2 billion in annual economic activity (sales) across industries.

For more information, see the Real Estate section of this publication.

COCHISE COUNTY GROSS DOMESTIC PRODUCT (GDP)

YEAR	REAL GDP*	GROWTH (%)
2011	4,080	-0.8
2012	3,863	-5.3
2013	3,667	-5.1
2014	3,520	-4.0
2015	3,461	-1.7

*Millions of chained 2009 dollars.
Source: U.S. Bureau of Economic Analysis.

RESTAURANT & BAR SALES

YEAR	COCHISE COUNTY (\$)	CHANGE (%)	INFLATION ADJUSTED GROWTH (%)	BENSON (\$)	CHANGE (%)	INFLATION ADJUSTED GROWTH (%)
2012	131,290,836	-2.3	-4.4	10,617,960	-4.5	-6.5
2013	132,527,859	0.9	-0.5	12,672,280	19.3	17.9
2014	136,479,639	3.0	1.4	13,117,248	3.5	1.9
2015	142,027,235	4.1	3.9	12,843,179	-2.1	-2.2
2016	147,076,559	3.6	2.3	13,043,932	1.6	0.3

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI-U). Data shown are estimates.

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

RETAIL SALES

YEAR	COCHISE COUNTY (\$)	CHANGE (%)	INFLATION ADJUSTED GROWTH (%)	BENSON (\$)	CHANGE (%)	INFLATION ADJUSTED GROWTH (%)
2012	786,600,901	6.5	4.5	N/A	N/A	N/A
2013	810,061,630	3.0	1.5	69,908,280	N/A	N/A
2014	815,460,657	0.7	-1.0	73,812,230	5.6	3.9
2015	836,291,935	2.6	2.4	77,602,236	2.7	2.6
2016	807,386,078	-3.5	-4.7	*55,483,248	-6.1	-7.4

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI-U). Data shown are estimates. Benson sales exclude single items costing more than \$5,000.

*City-level sales estimates beginning in 2016 exclude grocery food items, therefore comparison of sales figures to earlier years is inappropriate; change/growth levels shown for 2016 are calculated by excluding grocery sales from 2015 estimates.

N/A = Data not available.

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

HOTEL/MOTEL RECEIPTS

YEAR	COCHISE COUNTY (\$)	CHANGE (%)	INFLATION ADJUSTED GROWTH (%)	BENSON (\$)	CHANGE (%)	INFLATION ADJUSTED GROWTH (%)
2012	34,680,677	-15.1	-17.2	3,632,467	-11.6	-13.7
2013	30,956,346	-10.7	-12.2	4,749,911	30.8	29.3
2014	31,277,373	1.0	-0.6	4,324,257	-9.0	-10.6
2015	33,885,154	8.3	8.2	4,148,184	-4.1	-4.2
2016	34,265,272	1.1	-0.1	4,270,951	3.0	1.7

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI-U). Data shown are estimates.

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



Photo: El Dorado Benson, LLC and Swaback Partners, PLLC

Real Estate

Outlook

In Benson and Cochise County, foreclosed homes offered at lower prices will continue to dampen demand for new home construction through 2017 and into 2018. Foreclosure sales will place continued upward pressure on sales volume for existing homes, but sustained downward pressure on prices. Although foreclosures as a share of total home sales have declined steadily since 2013, they remain stubbornly high from an historic perspective.

The most significant opportunity for the short- and long-term development of Benson and Cochise County is the 28,000-home, master-planned ‘The Villages at Vigneto’ on 12,167 acres in Benson. Developers anticipate achieving and maintaining an ambitious 2,000-residential-unit annual absorption rate (until fully built out) by marketing to what they estimate as nearly 4 million potential buyers turning 65 in each of the next 20 years. In addition, the developer anticipates in excess of 3 million square feet of nonresidential development including schools, emergency response buildings (fire, police, ambulance), medical facilities, a socially interactive Village

NEW HOME PERMITS (SINGLE FAMILY RESIDENTIAL)

	COCHISE COUNTY	BENSON
2012	278	10
2013	162	2
2014	179	0
2015	136	2
2016	139	2

Source: U.S. Census Bureau and City of Benson

Center, retail and commercial space, office space, recreational and community facilities, golf clubhouses, and a destination resort. The development is projected to have a \$23.8 billion impact on the regional economy over the planned 18-year construction period, supporting 16,355 jobs at peak construction (attributable to construction spending and spending by new residents of the community, along with indirect and induced 'ripple' effects). Once all construction is complete, spending by new residents of the community is projected to generate \$1.2 billion in annual economic activity supporting 8,780 jobs in the regional economy sustained indefinitely into the future. The master

plan was approved by Benson City Council in 2016. Infrastructure improvements are expected to commence in 2018 with vertical construction beginning in late 2018 (subject to reinstatement of the Clean Water Act, Section 404 permit by U.S. Army Corp of Engineers and pending litigation against the ACOE by Earth Justice, which is challenging the permit).

In 2017, rezoning was approved for a smaller development in Benson near the San Pedro Golf Course with plans for several hundred townhouse units and 40 single family residences on approximately 130 acres.

HOME SALES (COCHISE COUNTY)

YEAR	VOLUME	CHANGE IN VOLUME (%)	MEDIAN PRICE (\$)	MEDIAN PRICE CHANGE (%)	AVERAGE SALE/ASKING PRICE (%)	AVERAGE PRICE SQ. FT. (\$)	AVERAGE PRICE SQ. FT. CHANGE (%)	AVERAGE DAYS ON MARKET	FORECLOSURES (% OF SALES)
2012	1,286	6.9	129,450	-8.9	93.3	77.86	-6.2	163	29.1
2013	1,428	11.0	120,800	-6.7	94.2	75.01	-3.7	156	29.3
2014	1,409	-1.3	118,000	-2.3	94.6	72.63	-3.2	151	25.5
2015	1,566	11.1	123,500	4.7	94.7	75.44	3.9	152	19.2
2016	1,726	10.2	125,000	1.2	95.6	77.93	3.3	141	16.7

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

HOME SALES (BENSON AREA)

YEAR	VOLUME	CHANGE IN VOLUME (%)	MEDIAN PRICE (\$)	MEDIAN PRICE CHANGE (%)	AVERAGE SALE/ASKING PRICE (%)	AVERAGE PRICE SQ. FT. (\$)	AVERAGE PRICE SQ. FT. CHANGE (%)	AVERAGE DAYS ON MARKET	FORECLOSURES (% OF SALES)
2012	122	24.5	88,250	-16.4	91.1	62.59	-6.5	117	39.3
2013	148	21.3	92,250	4.5	93.9	60.99	-2.6	116	39.2
2014	143	-3.4	85,000	-7.9	93.4	63.62	4.3	113	28.7
2015	177	23.8	105,000	23.5	94.6	73.26	15.2	107	19.2
2016	176	-0.6	122,000	16.2	94.2	75.34	2.8	111	11.4

Note: The Benson area includes Benson, St. David, Pomerene, Dagoon, Mescal, and surrounding areas. 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

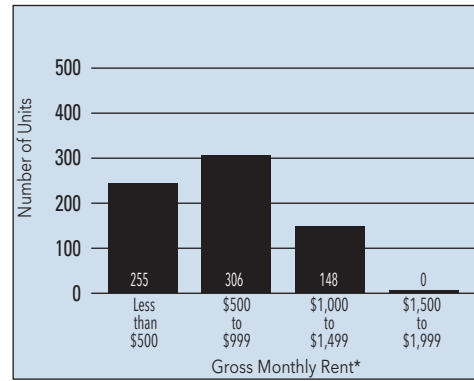
BENSON HOUSING STATISTICS

Total Housing Units	2,992
Occupied Housing Units (%).....	80.6
Owner-occupied (%).....	70.3
Renter-occupied (%).....	29.7
Vacant Housing Units (%).....	19.4
Homeowner Vacancy Rate (%).....	1.5
Rental Vacancy Rate (%).....	31.3
Median Home Value (2015 dollars).....	85,400
Median Monthly Owner Cost (2015 dollars) *	1,038
Homeowners Paying 30% or More of Income for Housing (%) *	41.3
Median Monthly Gross Rent (2015 dollars).....	673
Renters Paying 30% or More of Income for Housing (%).....	52.18

*Includes only homes with a mortgage.

Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates).

BENSON RENTAL UNITS



*Gross rent includes contract rent plus utilities.

Note: Includes occupied rental units only; figures expressed in 2015 dollars.

Source: U.S. Census Bureau (2011-2015 American Community Survey 5-Year Estimates) and Cochise College Center for Economic Research





Banking & Financial Services

Benson is served by two banks: National Bank of Arizona (www.NBArizona.com) and Washington Federal (www.WashingtonFederal.com). The area is also served by American Southwest Credit Union (www.ASCU.org), Southeastern Arizona Federal Credit Union (www.SEAFCU.com), and several financial services firms.

BANK DEPOSITS

YEAR	BENSON		COCHISE COUNTY	
	AMOUNT (\$000)	CHANGE (%)	AMOUNT (\$000)	CHANGE (%)
2012	83,911	1.8	1,082,302	4.7
2013	85,942	2.4	1,118,042	3.3
2014	75,716	-11.9	1,148,049	2.7
2015	78,279	3.4	1,133,687	-1.3
2016	84,097	7.4	1,198,482	5.7

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

CREDIT UNION DEPOSITS (COCHISE COUNTY)

YEAR	AMOUNT (\$000)	CHANGE (%)
2012.....	184,206	6.0
2013.....	193,193	4.9
2014.....	204,618	5.9
2015.....	213,285	4.2
2016.....	224,263	5.1

Note: Includes only credit unions whose main office is located in Cochise County; includes only deposits to Cochise County branches. Data reflect total deposits as of June 30 each year.

Source: National Credit Union Administration, American Southwest Credit Union, and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS (PER 1,000 RESIDENTS)

YEAR	COCHISE COUNTY	ARIZONA	UNITED STATES
2012	1.79	4.39	3.89
2013	1.81	3.55	3.39
2014	1.70	2.98	2.94
2015	1.56	2.54	2.63
2016	1.51	2.27	2.46

Note: Includes all chapters.

Source: U.S. Bankruptcy Court, U.S. Census Bureau, Arizona Office of Economic Opportunity, and Cochise College Center for Economic Research.



Mexico

Agua Prieta, Sonora

The City of Douglas in Cochise County, Arizona shares an international border with Agua Prieta, Sonora, Mexico (approximately 75 miles southeast of Benson). As of 2010, Agua Prieta's population was just under 80,000 (according to Mexico's Instituto Nacional de Estadística y Geografía). Douglas is the second largest commercial port in Arizona measured by total value of imports and exports. Douglas Port of Entry is open 24 hours a day, 7 days a week to vehicle and pedestrian traffic. The port uses the Secure Electronic Network for Travelers Rapid Inspection (SENTRI) program to allow expedited entry into United States for preapproved, low-risk travelers. The SENTRI lane reduces wait times through streamlined customs and immigration processing.

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

2015	January.....14.9885	2016	January.....18.1935	2017	January.....20.7908
	February.....14.9553		February.....18.1020		February.....19.9957
	March.....15.2647		March.....17.7691		March.....18.7955
	April.....15.2225		April.....17.1767		April.....18.9594
	May.....15.3815		May.....18.4118		May.....18.6909
	June.....15.6854		June.....18.4646		June.....18.0626
	July.....16.0772		July.....18.7837		
	August.....16.7829		August.....18.8611		
	September.....16.9053		September.....19.3776		
	October.....16.5244		October.....18.8887		
	November.....16.5856		November.....20.5155		
	December.....17.2487		December.....20.6640		

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

There are more than 20 maquiladoras (twin factories with facilities on both sides of the border) in Agua Prieta and Douglas, with Agua Prieta serving as the manufacturing center and Douglas the warehouse distribution center. Major industrial employers in Agua Prieta include Levolor Kirsh, Commercial Vehicle Group, Takata, Velcro USA, Standex International, and Alstyle Apparel & Activewear.

A traveler survey conducted in 2016 by Lee Engineering, funded by Sierra Vista Metropolitan Planning Organization, concluded that 70 percent of visitors in the summer and 50 percent during fall, entering

the United States through the Douglas Port of Entry, did so for the purpose of shopping. The researchers concluded the seasonal variation was due to an increase in school and work trips during fall. The study also concluded more than 75 percent of cross-border visitors spent less than five hours in the United States and visitors expected to spend \$146 per trip during summer and \$95 during fall. Most drivers crossing through the Douglas Port of Entry indicated that their final destination was Douglas (nearly 75 percent during summer and more than 90 percent during fall).

Douglas is the second largest commercial port in Arizona measured by total value of imports and exports.

INTERNATIONAL TRADE WITH MEXICO (DOUGLAS PORT)

YEAR	TOTAL (\$)	EXPORTS (\$)	IMPORTS (\$)
2012	2,328,182,718	1,228,944,450	1,099,238,268
2013	2,377,359,817	1,379,382,857	997,976,960
2014	2,256,787,626	1,239,621,435	1,017,166,191
2015	2,116,734,216	1,013,887,548	1,102,846,668
2016	1,879,732,505	832,642,196	1,047,090,309

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

US-MEXICO BORDER CROSSINGS (DOUGLAS PORT)

	TRUCKS	LOADED TRUCK CONTAINERS	EMPTY TRUCK CONTAINERS	BUSES	BUS PASSENGERS	PERSONAL VEHICLES	PERSONAL VEHICLE PASSENGERS	PEDESTRIANS
2012	31,636	17,419	11,836	2,065	19,670	1,405,122	2,610,492	1,198,838
2013	32,497	17,231	12,963	2,076	14,544	1,470,933	2,703,712	1,804,110
2014	33,104	17,701	13,032	2,267	13,442	1,571,929	2,821,853	1,011,664
2015	32,104	17,478	12,652	2,818	19,282	1,591,184	2,850,942	1,069,031
2016	30,815	17,366	12,904	2,787	30,029	1,614,882	2,908,282	851,997

Note: Includes only those crossing from Mexico into the United States.
Source: U.S. Department of Transportation.

Naco, Sonora

The town of Naco, Sonora, Mexico shares an international border with Naco, Arizona, an unincorporated area of Cochise County bordering Bisbee (approximately 55 miles southeast of Benson). The population of Naco, Sonora as of 2010 was approximately 6,400 (according to Mexico's Instituto Nacional de Estadística y Geografía). The

population of Naco, Arizona as of Census 2010 was 1,046. Naco is the fourth largest commercial port in Arizona measured by total volume of trade (imports and exports). Naco Port of Entry is open 24 hours a day, 7 days a week, to vehicle and pedestrian traffic.

INTERNATIONAL TRADE WITH MEXICO (NACO PORT)

YEAR	TOTAL (\$)	EXPORTS (\$)	IMPORTS (\$)
2012	137,458,811	116,186,861	21,271,950
2013	144,601,341	119,145,333	25,456,008
2014	119,392,843	101,067,643	18,325,200
2015	115,838,459	105,436,790	10,401,669
2016	106,845,123	98,694,550	8,150,573

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

US-MEXICO BORDER CROSSINGS (NACO PORT)

	TRUCKS	LOADED TRUCK CONTAINERS	EMPTY TRUCK CONTAINERS	BUSES	BUS PASSENGERS	PERSONAL VEHICLES	PERSONAL VEHICLE PASSENGERS	PEDESTRIANS
2012	3,728	1,622	2,542	21	547	270,416	493,205	72,896
2013	3,947	1,882	2,397	17	554	284,677	509,178	81,146
2014	3,601	3,496	3,112	12	451	298,368	525,988	79,325
2015	2,988	3,041	1,952	3	140	297,174	514,875	75,267
2016	3,287	1,625	1,878	5	156	302,391	510,291	76,834

Note: Includes only those crossing from Mexico into the United States.
Source: U.S. Department of Transportation.



Fort Huachuca

Fort Huachuca, Cochise County's largest employer, is an active U.S. Army installation located in Sierra Vista (approximately 30 south of Benson). The fort provides critical resources, infrastructure, and services to more than 50 unique tenant units and missions with national-level requirements, including three of the fastest-growing missions in the Army and Department of Defense: military intelligence, cybersecurity, and unmanned aircraft systems. The main and auxiliary installation properties cover more than 100,000 acres and the fort manages 964 square miles of restricted air space and 2,500 square miles of electronic ranges outside installation boundaries. The fort maintains, operates, or oversees more than 8.2 million square feet of operational facilities, 1,064 family housing units, three remote airstrips, and three accommodation schools. Libby Army Airfield with its 12,001-foot concrete runway is one of the Army's busiest continental U.S. airfields.

As of September 2016, approximately 2,300 active duty military personnel were assigned to Fort Huachuca. There are also approximately 2,600 military trainees (students) temporarily assigned to the fort for training on any given day with more than 8,000 trained on site each year. Fort Huachuca directly employs approximately 3,000 civilian workers with an additional 400 civilians employed by other agencies operating on the installation, including Department of Homeland Security, Fort Huachuca Accommodation Schools, Army & Air Force Exchange Service, and others. The fort also contracts with numerous area firms including General Dynamics, Northrup Grumman, ManTech International, Raytheon, TASC, Booz Allen Hamilton, and others employing more than 3,300 workers. The resident population of Fort Huachuca (those residing on post) was 5,679 as of January 2017, which includes 1,007 military personnel and 2,546 family members residing in on-post family housing, as well as 2,126 unmarried or unaccompanied military personnel residing in troop billets (including students assigned temporarily for training). Many military personnel and their families also reside off-post in Sierra Vista and surrounding communities.



For more information, visit www.Army.Mil/Huachuca.



Agriculture

Agriculture is a significant part of the Cochise County economy. Top crop items are forage land, corn for grain, pecans, dry edible beans, and cotton. Top livestock are cattle and calves, layers, sheep and lambs, bee colonies, and horses and ponies. Cochise County offers numerous agritourism opportunities including farmers markets throughout the county, U-PICK farms in the Sulphur Springs Valley area, and wineries and winetasting events.

For more information, visit www.ExploreCochise.com.

Cochise County Wineries

Wine production, sales, and tasting rooms have been a growing industry in Cochise County in recent years. According to Arizona Wine Growers Association (www.ArizonaWine.org), the Willcox area of Cochise County produces the largest quantity of grapes in Arizona. Vineyards are located in Willcox, Benson, Pearce, Cochise, and surrounding areas. Aridus Wine Company operates a custom crush facility in Willcox, which processes, ferments, and barrel-stores grapes from various vineyards. The Willcox Wine Trail has several vineyards supporting wine tours in the foothills of the Chiricahua Mountains. Tasting rooms are located in Sierra Vista, Bisbee, Willcox, and Tombstone.

For more information, visit www.ExploreCochise.com.

Cochise County Fair

The Cochise County Fair is held each September at Cochise County Fairgrounds (just north of Douglas) offering agricultural, commercial, educational, and entertainment activities including a live rodeo. Exhibits include livestock, buildings, dogs, small stock, and horses. The carnival at the fair offers rides, attractions, games, and food booths.

For more information, visit www.CochiseCountyFair.org.

COCHISE COUNTY AGRICULTURE

		2012	2007	CHANGE	% CHANGE
Farms	Number	1,093	1,065	28	2.6%
	Land (acres)	916,672	824,226	92,446	11.2%
	Average farm size (acres)	839	774	65	8.4%
Estimated market value of land and buildings	Average per farm (dollars)	1,175,308	1,475,858	-300,550	-20.4%
	Average per acre (dollars)	1,401	1,907	-506	-26.5%
Estimated market value: machinery and equipment	Average per farm (dollars)	81,234	77,792	3,442	4.4%
Farms by size	1 to 9 acres	182	122	60	49.2%
	10 to 49 acres	297	252	45	17.9%
	50 to 179 acres	232	285	-53	-18.6%
	180 to 499 acres	137	149	-12	-8.1%
	500 to 999 acres	56	76	-20	-26.3%
	1,000 acres or more	189	181	8	4.4%
Total cropland	Farms	496	496	0	0.0%
	Acres	123,311	141,156	-17,845	-12.6%
Irrigated land	Farms	374	368	6	1.6%
	Acres	65,483	67,598	-2,115	-3.1%
Market value of agricultural products sold	Total (\$1,000)	149,998	117,130	32,868	28.1%
	Average per farm (dollars)	137,235	109,981	27,254	24.8%
Farms by value of sales	Less than \$2,500	420	490	-70	-14.3%
	\$2,500 to \$4,999	159	119	40	33.6%
	\$5,000 to \$9,999	103	91	12	13.2%
	\$10,000 to \$24,999	133	120	13	10.8%
	\$25,000 to \$49,999	85	87	-2	-2.3%
	\$50,000 to \$99,999	48	50	-2	-4.0%
	\$100,000 or more	145	108	37	34.3%
Hired farm labor	Workers	1,375	1,382	-7	-0.5%
	Payroll (\$1,000)	16,195	10,359	5,836	56.3%

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



Tourism

Tourism is an important component of the Benson and Cochise County economy. As an export-oriented industry it brings dollars to the local area from other regions, generating local jobs, income, and tax revenue. In 2017, Benson's Kartchner Caverns State Park was named 'Best Arizona Attraction' by *USA Today* (in 2016, Kartchner Caverns received *USA Today's* Readers' Choice Award for 'Best Cave in the USA').

The City of Benson markets itself as the transportation hub for Cochise County due to its location along interstate 10 and the Union Pacific Railroad's Southern Route, providing access to both Cochise County and nearby Tucson. According to the city's visitor center, there are more than 1,100 RV spaces within city limits with another 600 spaces within a 10-mile radius, making the area a popular choice for seasonal RV travelers. The Benson Visitor Center has identified railroad enthusiasts interested in watching the trains coming through Benson, as well as learning about railroad history in Southern Arizona, as a niche market. The visitor center recently added a G-scale model train layout with diesel-electric control stand and simulator, which has attracted visitors from young families to grandparents with their grandchildren, who can operate the train and receive an official Benson train operator certificate.

COCHISE COUNTY STATE PARK VISITATIONS

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITATIONS	CHANGE %	VISITATIONS	CHANGE %
2012	137,734	18.0	45,207	-1.8
2013	137,268	-0.3	45,790	1.3
2014	153,053	11.5	42,549	-7.1
2015	157,007	2.6	48,224	13.3
2016	160,461	2.2	49,023	1.7

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 %
2012	41,159	11.2	97,579	-36.2	7,966	-5.5
2013	40,646	-1.2	92,936	-4.8	8,082	1.5
2014	45,125	11.0	118,838	27.9	6,964	-13.8
2015	56,960	26.2	132,584	11.6	7,760	11.4
2016	51,227	-10.0	136,075	2.6	8,013	3.3

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

Area Attractions

- Kartchner Caverns State Park
- Amerind Foundation and Museum
- Benson's Railroad Heritage and Visitor Center
- Benson Museum
- Butterfield Trail
- Dragoon Springs Butterfield Mail Station
- Gallery of Dreams art gallery
- Gammons Gulch Ghost Town Movie Set
- Holy Trinity Monastery
- Singing Wind bookstore
- Triangle T Guest Ranch
- American Museum of Natural History's Southwestern Research Station
- Arizona Folklore Preserve
- Arizona's Sky Islands
- Arizona Trail
- Brown Canyon
- Chiricahua Mountains and Chiricahua National Monument
- Cities of Tombstone and Bisbee
- Cities of Naco, Agua Prieta, and historic Arizpe in Sonora, Mexico
- Cochise Stronghold
- Coronado National Forest and Coronado National Monument
- Fort Bowie National Historic Site
- Fort Huachuca (National Historic Landmark District)
- Fort Huachuca Historical Museum and Army Intelligence Museum
- Geronimo Surrender Site
- Ghost towns of Charleston, Gleeson, Fairbank, and Dos Cabezas
- John Slaughter Ranch
- Lehner Mammoth Kill Site and Murray Springs Clovis Site
- More than 20 Arizona wineries
- Numerous public and private observatories
- Our Lady of the Sierras Shrine
- Ramsey Canyon Preserve
- Rucker Canyon Archeological District
- San Bernardino Wildlife Refuge
- San Pedro House
- San Pedro Riparian National Conservation Area
- Spooner's Arboretum
- Texas Canyon
- Whitewater Draw Wildlife Area

Annual Events

JANUARY

- Cowboy/Cowgirl Round-up

MARCH

- Cochise Community Creative Writing Celebration

JULY

- 4th of July Festivities

OCTOBER

- Butterfield Overland Stage Days and Butterfield Rodeo
- Southern Arizona Harley Riders Biker Rodeo

NOVEMBER

- Holy Trinity Monastery Fall Festival of the Arts
- Thanksgiving Fiesta of Books

DECEMBER

- Cascabel Christmas Fair
- Christmas on Main Street

For more information on Benson area attractions and events, visit www.BensonVisitorCenter.com



Community Resources

CITY OF BENSON

www.CityofBenson.com

SOUTHEAST ARIZONA ECONOMIC DEVELOPMENT GROUP

www.SAEDG.org

BENSON VISITOR CENTER

www.BensonVisitorCenter.com

BENSON/SAN PEDRO VALLEY CHAMBER OF COMMERCE

www.BensonChamberAZ.com

COCHISE COLLEGE CENTER FOR ECONOMIC RESEARCH

www.CochiseEconomy.com

COCHISE COLLEGE SMALL BUSINESS DEVELOPMENT CENTER

www.Cochise.edu/SBDC

COCHISE COUNTY

www.Cochise.Az.gov

COCHISE COUNTY ECONOMIC DEVELOPMENT

www.CochiseNow.com

SOUTHEASTERN ARIZONA GOVERNMENTS ORGANIZATION

www.SEAGO.org

ARIZONA@WORK-SOUTHEASTERN ARIZONA

www.ArizonaAtWork.com/SoutheasternAZ

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

www.AzDES.gov

ARIZONA COMMERCE AUTHORITY

www.AzCommerce.com

NATIONAL BANK OF ARIZONA

www.NBArizona.com

WASHINGTON FEDERAL

www.WashingtonFederal.com

AMERICAN SOUTHWEST CREDIT UNION

www.ASCU.org

SOUTHEASTERN ARIZONA FEDERAL CREDIT UNION

www.SEAFCU.com

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE

www.SSVEC.org

COX COMMUNICATIONS

www.Cox.com

CENTURYLINK

www.CenturyLink.com



About the Center for Economic Research

Cochise College Center for Economic Research (CER), founded in 1995, provides economic information, analysis, and forecasting to help leaders in the public, private, and nonprofit sectors make better-informed decisions. CER hosts economic outlook events each year in Sierra Vista, Douglas, Bisbee, and Benson, and publishes the annual *Sierra Vista Economic Outlook*, *Douglas Economic Outlook*, *Bisbee Economic Outlook*, and *Benson Economic Outlook* (released in conjunction with the events). CER is a member of Association for University Business and Economic Research (AUBER) and is a U.S. Census Bureau State Data Center affiliate receiving and disseminating Census Bureau data to local governments and nongovernmental data users at no charge or on a cost-recovery/reimbursable basis.

For more information, visit www.CochiseEconomy.com.

Chief Economist

Robert Carreira, Ph.D.
Robert@CochiseEconomy.com

Benson Economic Advisory Committee

Larry Catten—SouthEastern Arizona Governments Organization
 Angelica Hernandez—Arizona@Work-SouthEastern Arizona
 Gary Maluf, Ph.D.—Benson Hospital
 Bob Nilson—Benson Visitor Center
 Rachel Norton—Cochise College Small Business Development Center
 Barbara Richardson—Cochise College Benson & Willcox Centers
 Mark Schmitt—Cochise College Small Business Development Center
 George Scott—Southeast Arizona Economic Development Group
 Bill Stephens—City of Benson