

UPPER SAN PEDRO WATER DISTRICT

Economic Implications



The Fort Is Our Main Economic Engine

The economy of the Sierra Vista Subwatershed is heavily dependent on Fort Huachuca, headquarters for the U.S. Army Intelligence Center, NETCOM, the Electronic Proving Ground and other Department of Defense operations. Fort Huachuca is Southern Arizona's largest employer.

- A recent economic impact analysis of Arizona's military installations estimates Fort Huachuca's impact as more than \$2.5 billion statewide, the highest of all of the State's six installations (Maguire Study 2008 based on 2005 fiscal year data).
- The Maguire Study 2008 also found:
 - Fort Huachuca directly contributes \$24 million in local and state sales, property and income taxes.
 - When indirect contributions, from vendors and suppliers to the military operation are added, the number increases to more than \$95 million.
 - Sierra Vista-based contracts for building and construction in connection with the Fort were \$39.7 million and \$127.2 million total.
 - The Fort has an annual payroll of \$513.1 million. Retirees within a 50-mile radius of the base add more than \$100 million to that total. This is money that is spent at local businesses and on local goods.

Effective Water Management Is Critical for Both Fort Huachuca and Our Economy

The Defense Authorization Act of 2004 directs the way in which the Endangered Species Act applies to Fort Huachuca. The Act requires the Secretary of the Interior to prepare reports to Congress on steps to be taken to reduce the overdraft and restore and maintain the regional groundwater aquifer in the Sierra Vista Subwatershed by and after Sept. 30, 2011. If these requirements are not adequately addressed by the Fort and all of the communities within the Sierra Vista Subwatershed, unacceptable impacts to the San Pedro River will occur, which could result in the mission of Fort Huachuca being impacted.

To avoid the possibility of affecting the Fort's mission and our regional economy, protection of the San Pedro River is critical. The District would provide essential assistance to the Fort in meeting its water conservation requirements. One of the nine Organizing Board members was specifically recruited to represent Fort Huachuca's water interests and to ensure that its needs are addressed by the draft plans that the Board has prepared.

Questions:

- How would reduced missions at Fort Huachuca affect your personal budget?
- How much would you be willing to pay to support water conservation programs that protected the Fort?