

August 1, 2013

TO: Members of the MAG Economic Development Committee

FROM: Mayor Marie Lopez Rogers, City of Avondale, Chair

SUBJECT: ADDENDUM TO THE AUGUST 6, 2013, MAG ECONOMIC DEVELOPMENT
COMMITTEE AGENDA

An addendum to the August 6, 2013, Economic Development Committee (EDC) agenda has been prepared to provide an update on the Draft Resolution of Support for Extending the Border Zone in Arizona. Please contact the MAG office if you have questions about the addendum to the agenda.

ITEMS PROPOSED FOR CONSENT*

10. Discussion on the Draft Resolution of Support for
Extending the Border Zone in Arizona

On May 7, 2013, the EDC was provided information on the streamlining of federal tourism and visitor regulations at the border to improve Arizona's economy. David Randolph, a consultant for U.S.-Mexico border issues, and Garrick Taylor, Director of Policy Development with the Border Trade Alliance, provided information on visas, the I-94 card, and New Mexico's recent border extension policy change. The EDC directed MAG staff to work with the Arizona Councils of Governments (COGs) and Metropolitan Planning Organizations (MPOs) on extending the current 75 mile limit from the Arizona ports of entry to include all of Arizona. This extension would assist in promoting commerce and economic development. Since that time, MAG staff developed a draft resolution of support for extending the border zone in Arizona, as well as a fact sheet on visitors from Mexico and the impact on Arizona's economy. This draft resolution is being reviewed by the COG/MPO directors. It is anticipated that there will be discussions regarding this resolution at the COG/MPO Regional Council meetings in August and September, as well as during the COG/MPO meeting at the League of Arizona Cities and Towns Conference on August 28, 2013. Please refer to the enclosed material.

10. Information, discussion and input.

DRAFT
RESOLUTION OF SUPPORT
FOR EXTENDING THE BORDER ZONE IN ARIZONA

WHEREAS, the regional planning agencies throughout Arizona, including the Central Arizona Governments (CAG), Central Yavapai Metropolitan Planning Organization (CYMPO), Flagstaff Metropolitan Planning Organization (FMPO), Maricopa Association of Governments (MAG), Northern Arizona Council of Governments (NACOG), Pima Association of Governments (PAG), SouthEastern Arizona Governments Organization (SEAGO), Western Arizona Council of Governments (WACOG), and Yuma Metropolitan Planning Organization (YMPO), and other regional planning agencies and Native American Communities that may wish to join in this effort, hereafter referred to as the Regional Planning Agencies, desire to advocate for the extension of the authorized border zone for Border Crossing Cards (BCC) to include all of Arizona, and for the streamlining of the Mexican Visa process; and

WHEREAS, Mexican visitors traveling into the United States through the land border ports of entry use the Border Crossing Card, which allows for frequent, low-risk Mexican citizens to visit border communities for a period of up to 30 days, and remain within the “border zone,” which is no more than 25 miles beyond the border, and 75 miles if entering through selected ports in Arizona, limiting the opportunity for tourism and economic development throughout our state; and

WHEREAS, the proposed border zone extension would allow BCC holders to travel to world-class destinations such as the Grand Canyon – one of the Seven Natural Wonders of the World – and other state and federal parks, stimulating tourism throughout Arizona, and expanding the travel zone to include these tourist destinations will translate into greater economic benefits from residents from Mexico traveling to Arizona for leisure, shopping, conducting business, and visiting family; and

WHEREAS, it is estimated that \$7.3 million is spent each day in Arizona by Mexican visitors, and more than 65,000 Mexican residents travel to Arizona each day for business, leisure and recreation; and

WHEREAS, Mexico is the 14th largest economy according to the International Monetary Fund, a member of the G-20 economies, and the 11th most populous country, with 17 percent of Mexico's population of 112 million inhabitants joining the middle class in the last decade, representing market opportunities for U.S. exports-oriented industries; and

WHEREAS, at the peak of the economy in 2007-08, 24 million Mexican visitors came to Arizona and spent \$2.7 billion, creating 23,400 direct jobs and an additional 7,000 indirect jobs in Arizona. In 2011, 157,700 jobs were related directly to domestic and international tourism in Arizona, and when combined with indirect employment generated by tourism, the figure almost doubles to 300,000 jobs; and

WHEREAS, in the spirit of the 2012 Executive Order, the proposed extension of the border zone in Arizona will provide significant economic benefits to many communities, especially in rural Arizona, while maintaining ample safeguards to prevent undocumented entry into the United States, and

WHEREAS, due to the necessity to act immediately, the Regional Planning Agencies noted in this resolution have signed with the understanding that other governmental and nonprofit economic development organizations will be joining in supporting this resolution:

NOW, THEREFORE, BE IT RESOLVED BY THE REGIONAL PLANNING AGENCIES as follows:

That it is the intent of the respective Regional Planning Agencies to work cooperatively to jointly advocate to the Arizona Congressional Delegation and the Department of Homeland Security for the extension of Arizona’s border zone, authorized for holders of Border Crossing Cards, to include the entire state of Arizona, and to jointly support the streamlining of the Mexican visa process to be more effective in enabling both business travelers and tourists to cross the border.

PASSED, ADOPTED AND APPROVED BY THE REGIONAL PLANNING AGENCIES OF CENTRAL ARIZONA ASSOCIATION OF GOVERNMENTS, CENTRAL YAVAPAI METROPOLITAN PLANNING ORGANIZATION, FLAGSTAFF METROPOLITAN PLANNING ORGANIZATION, MARICOPA ASSOCIATION OF GOVERNMENTS, NORTHERN ARIZONA ASSOCIATION OF GOVERNMENTS, PIMA ASSOCIATION OF GOVERNMENTS, SOUTHEASTERN ARIZONA GOVERNMENTS ORGANIZATION, WESTERN ARIZONA COUNCIL OF GOVERNMENTS, AND YUMA METROPOLITAN PLANNING ORGANIZATION, ON THE DATES PROVIDED BELOW.

ATTEST:

Tom Rankin, Chair
CAG Regional Council
Mayor, Town of Florence

Kenneth Hall
CAG Executive Director

Date

Darryl Croft, Chair
CYMPO Executive Board
Vice Mayor, Town of Chino Valley

Christopher Bridges
CYMPO Administrator

Date

Matt Ryan, Chair
FMPO Executive Board
Board of Supervisor, Coconino

David Wessel
FMPO Manager

Date

Scott Smith, Chair
MAG Regional Council
Mayor, City of Mesa

Dennis Smith
MAG Executive Director

Date

Wade Carlisle, Chair
NACOG Regional Council
Councilman, City of Holbrook

Date

Jonathan Rothschild, Chair
PAG Regional Council
Mayor, City of Tucson

Date

Rudy Molera, Chair
SEAGO Executive Board
County Supervisor, Santa Cruz

Date

Janice Shelton, Chair
WACOG Executive Board of Directors
Superintendent, La Paz County Schools

Date

Greg Ferguson, Chair
YMPO Executive Board
Supervisor, Yuma County

Date

Chris Fetzer
NACOG Executive Director

Cherie Campbell
PAG Acting Executive Director

Randy Heiss
SEAGO Executive Director

Brian H. Babiars
WACOG Executive Director

Charlene FitzGerald
YMPO Executive Director

MEXICAN VISITORS - FACT SHEET

- Visa holders who wish to use the Border Crossing Card as a B1/B2 visa to travel outside the “border zone,” and/or who are staying longer than 30 days in the United States, must complete a Form I-94 and then be processed through the Office of Biometric Identity Management (OBIM) utilizing biometric procedures in secondary inspection areas at the land border ports of entry at the time of their crossing, and according to the Department of Homeland Security the OBIM is “an interim solution for the land border while the Department explores a long-term solution to record the entry and exit of visitors crossing our land border ports of entry.”
- The elimination of the requirement of an I-94 form, or the streamlining of the entire Mexican visa process to eliminate the need for the OBIM biometric procedures in secondary inspection areas for BCC holders traveling anywhere in Arizona would also decrease the administrative workload for Customs and Border Protection (CBP) officers at the Arizona ports of entry, allowing CBP to focus resources on those who may pose a higher risk, improving security, reducing border wait times, and increasing efficiency at land border crossings.
- Tourism is one of the largest industries in Arizona and tourists from Mexico are critically important to the Arizona economy, according to the Arizona Lodging and Tourism Association.
- According to the municipality of Cajeme, Obregon, Sonora, tourism is one of the top developing engines in Sonora and is expected to have a potential market of 4.3 million Mexican tourists by 2030.
- The Regional Planning Agencies jointly recognize the economic power of the tourism industry due to its positive influence for every resident and business in Arizona.
- Tourism is an export-related activity bringing new monies to the region spent in tourism-sensitive sectors and on retail-exports. Tourism and export promotion have become a national focus through the National Export Initiative and the Travel Promotion Act signed into law in 2010 to enhance economic growth and job creation through the promotion of exports and inbound tourism.
- Mexico represented an impressive 21 percent of all inbound international arrivals to the United States with over 12.7 million arrivals in 2012 and was the second largest tourist-generating country after Canada, according to data from the U.S. Department of Commerce’s Office of Travel and Tourism Industries.
- Legal entry of Mexican residents and goods is an essential element of Arizona’s economy, with Mexico being the largest bilateral trading partner with Arizona, and the second largest in the U.S., accounting for an estimated \$30 million in two-way trade between Arizona and Mexico each day, and reaching a record high of \$1.3 billion per day in two-way trade between the U.S. and Mexico.
- According to the Greater Phoenix Convention and Visitors Bureau, the Mexico driving market represents the number one method of visiting Arizona and the most important market, with most of the visitors being from the middle class who spend weekends in Arizona with their families shopping and dining.
- The economic contribution of spending by Mexican visitors in Arizona has continued to grow over the decades. The economic impact of Mexican visitors increased from \$688.3 million in spending and 12,407 total jobs in 1991, to \$962.9 million in spending and 35,179 total jobs in 2001.
- The 2012 Executive Order signed by President Obama “Establishing Visa and Foreign Visitor Processing Goals and the Task Force on Travel and Competitiveness,” was ordered to “enable us [United States] to better capitalize on the economic opportunities presented by a dynamic 21st century travel and tourism industry” (Executive Order January 2012).