

The Economic Impacts of the Proposed Rosemont Mine

OVERVIEW

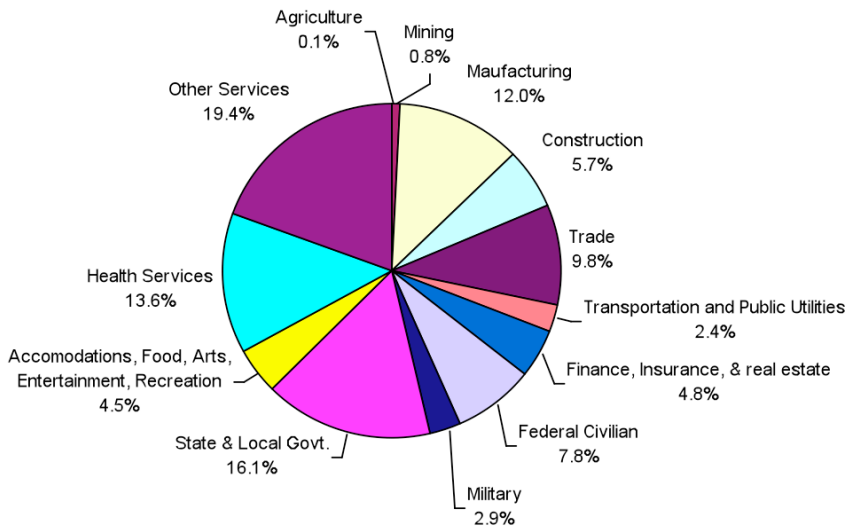
Canadian-based Augusta Resources proposes constructing a massive open-pit copper mine in Southern Arizona. The proposed mine would sit on 14,000-acres in the Santa Rita Mountains just south of Tucson. The Rosemont Mine would negatively impact the economy and environment of Southern Arizona. Augusta Resources has never operated a mine and the Rosemont project would be its first attempt at doing so.

Mine Jobs in Context

- Mining jobs represent a very small percentage of total Pima County jobs
- Mining jobs are historically unstable and technological advances require fewer workers
- Pima County's economy IS NOT highly dependent on "traditional export" factors (e.g. copper, cattle, cotton)
- Pima County's economy IS highly dependent on "amenity-based" factors such as:
 - ~ Public educational institutions
 - ~ Cultural attractions
 - ~ Natural Landscapes and Recreation Opportunities
 - ~ Quality of Life: Lower key lifestyle
 - ~ Sunshine
 - ~ Urban amenities and access to even larger urban areas (e.g. Phoenix)

Even relatively modest damage caused by the Rosemont Mine to the attractiveness of the region to new businesses, residents, retirees, and visitors could easily cancel out more than the number of new jobs created by the Rosemont mine.

Sources of Real Earnings: Tucson Area (Pima County) 2008



What's missing from this chart? Hard rock mining! The 0.8% listed above is mostly due to mining non-metals such as limestone. Jobs created by the proposed Rosemont mine would represent less than three-tenths of one percent (.3%) of total employment in Pima and Santa Cruz counties combined for 2005.

The facts and figure presented here were prepared by Dr. Tom Power, Research Professor and Professor Emeritus, Department of Economics, University of Montana. The materials were prepared for public presentations in Sonoita and Tucson in June, 2010 as a follow up study to the 2007 report released by Josef Marlow of the Sonoran Institute. Both studies were conducted as independent and objective analyses of the economic impacts of the proposed Rosemont mine; additional materials and information can be found on the Save the Scenic Santa Ritas website.

There is unprecedented non-partisan opposition to the proposed Rosemont mine. Political, business and environmental leaders have joined with citizens from all walks to oppose this project. The opposition believes Augusta Resources/Rosemont Copper has grossly misrepresented the potential benefits of the proposed mine by focusing on the promise of jobs while ignoring the long-term potentially devastating impacts the mine would have on the economy.

Save the Scenic Santa Ritas and the vast coalition of organizations, businesses and elected officials opposing the mine ask community members to weigh the long-term costs against the promise of a relatively short term gain in jobs a new mine would bring to the area. The economies of the Santa Rita Mountain communities are largely driven by outdoor recreation and tourism. The mine's effect on these small towns would be dramatic.

Why the Focus on Amenities Instead of Traditional Exports?

- People care where they live
- Businesses care where people live
- Available high quality workforce
- Markets for the goods and services produced
- Attract high quality workers at lower cost
- New residents setting up household stimulate the economy
- Attracting and holding retirees & retirement income
- Attracting visitors: building a sustainable visitor economy
- Traditional exports do not explain local economic vitality

The amenities of Southern Arizona – the desirable features and facilities of scenic natural landscapes that annually attract millions of visitors, thousands of new residents and highly skilled workers, and hundreds of new businesses and industries to Pima and Santa Cruz Counties – are far more important to the region's economic development and health than the 406 jobs the proposed Mine plans to create.

Conclusions

- Be rational: look at both benefits and costs
- Don't be panicked by the recession. Mines do not cure recessions. Recessions are 1 to 2 year cycles; mines operate 20 to 30 years with their own deep cycles.
- Take into account the instability that characterizes mineral development. Arizona has plenty of experience with that.
- Recognize that Tucson is not a "frontier" economy. It is a sophisticated high-tech manufacturing and service economy with a bright future.
- Natural landscape amenities are an important part of the Tucson area's economic base. This is not just an "aesthetic" or "pretty playground" concern. It is a dominant **economic** concern.