

**APPENDIX G2 – SOCIAL AND ECONOMIC
CONDITIONS**

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APPENDIX G2 – SOCIAL AND ECONOMIC CONDITIONS

ECONOMIC IMPACTS

Introduction

The following sections and tables are adapted from the findings of the Economic Impact Assessment (EIA) contained in Appendix G1. For clarification, the following information will be helpful to the reader in trying to compare this Appendix with G1 and in trying to relate it to the rest of the DEIS:

Options in the EIS vs. Scenarios in the EIA:

In the EIA, three Scenarios were analyzed (see p.17 of the EIA). Not all three of these scenarios are considered in the EIS. Instead, only Scenario 2 and 3 are considered and are referred to as Options A and Option B throughout this Appendix. This is summarized below:

Scenario 1 in the EIA. A single AC transmission line would be built (option not considered in the EIS)

Scenario 2 in the EIA. Two AC transmission lines would be built (Option A in the EIS)

Scenario 3 in the EIA. One AC and one DC transmission lines would be built (Option B in the EIS)

Construction Duration:

In the EIA, it was assumed that construction of each of the two transmission lines would take 30 months each (2.5 years) with the start data of the second line beginning 6 months after the start of the first line. It was assumed that construction of the first line would begin mid-2013 and the second line would begin at the beginning of 2014. Both lines would be under construction during 2014 and 2015 with the first line completed by the end of 2015. The 2nd line would be completed by mid-2016.

Impacts in the EIA vs. this Appendix:

The impacts presented in this Appendix are organized into Route Groups and Subroutes. These Route Groups and Subroutes are described in Chapter 2 of the EIS, in particular, Table 2-2. The impacts computed in the EIA were computed for two hypothetical routes in New Mexico (East and West) and two in Arizona (Route A and Route B). Although those impacts were computed by county, they were not disaggregated into Route Groups or Subroutes. Therefore, the tables in this Appendix are based on the findings of the EIA statement but they differ because the Route Groups and Subgroups identified in the DEIS and analyzed in Appendix G2 have different

mileages than the routes assumed in the EIA statement. The following two sets of mileages will assist the reader in understanding the impacts in this Appendix.

Employment and Income

Route Group 1: SunZia East Substation to Midpoint Substation

Transmission Line Construction

Subroute 1A – North River Crossing

Subroute 1A2 is the longest Subroute in Route Group 1. The construction of Subroutes 1A, 1A1, or 1A2 is expected to create between 1,420 and 1,567 direct and indirect jobs, and between \$112 million and \$123 million in labor income. Approximately half of all jobs created would be directly related to the construction of the transmission line(s). Construction of the line(s) would create the most jobs in Socorro and Sierra counties, which contain more than 80 percent of the total route mileage within Subroute 1A, 1A1, or 1A2. Direct and indirect employment opportunities would be the greatest in communities nearest to the routes and would be similar across all subroutes in Route Group 1. Communities such as Carrizozo in Lincoln County; Socorro and the unincorporated community of San Antonio in Socorro County; Elephant Butte, Truth or Consequences, and Williamsburg in Sierra County; and Deming in Luna County could expect an increase in local economic activity during construction. Indirect industries across small unincorporated rural communities would also experience an increase in economic activity as workers spend money locally.

Subroute 1B – San Antonio Crossing

Subroute 1B1 is slightly shorter than Subroute 1A2, and is expected to create a slightly smaller number of jobs and labor income than Subroute 1A. The overall economic impacts would be similar to those for Subroute 1A.

Subroutes 1B2 and 1B3 are expected to create a slightly lower number of jobs and wages than either Subroute 1A or Subroute 1B1. Table G1-1 represents the average number of jobs and labor income for all Route Group 1 subroutes.

Table G2-1. Route Group 1 – Employment and Wages for Transmission Line Construction (New Mexico)

New Mexico County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Lincoln	Employment (number of jobs)	50	35	33	119	55	35	35	126

Table G2-1. Route Group 1 – Employment and Wages for Transmission Line Construction (New Mexico)

New Mexico County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
	Labor Income (2010 \$Mil)	6	1	1	8.50	7	1	1	9.16
Luna	Employment (number of jobs)	60	47	21	127	72	50	23	145
	Labor Income (2010 \$Mil)	7	2	1	9.59	9	2	1	10.90
Sierra	Employment (number of jobs)	251	117	90	458	258	116	90	464
	Labor Income (2010 \$Mil)	30	4	3	37.10	31	4	3	37.78
Socorro	Employment (number of jobs)	334	201	140	675	370	201	147	717.5
	Labor Income (2010 \$Mil)	40	9	4	53	45	7	4	56.3
Torrance	Employment (number of jobs)	67	40	28	136	74	40	29	144.3
	Labor Income (2010 \$Mil)	8	2	1	11	8	1	1	10.0
County Sum	Employment (number of jobs)	762	441	312	1515	829	443	325	1597
	Labor Income (2010 \$Mil)	92	17	9	119	99	16	10	124
New Mexico Total	Employment (number of jobs)	700	512	896	2108	763	512	931	2206
	Labor Income (2010 \$Mil)	83	28	33	144	92	28	33	153

Source: University of Arizona and New Mexico State University, 2011a
 Note: Totals are the average of all subroutes in Route Group 1.

Route Group 3: Midpoint Substation to Willow-500 kV Substation

Transmission Line Construction

Subroute 3A – North and Subroute 3B – South

Subroutes 3A and 3B cross Luna, Hidalgo, and Grant counties in New Mexico. A range of 480 to 530 jobs would be created in New Mexico, resulting from the construction of either subroute. Table G2-2 represents the average number of jobs and labor income for subroutes 3A and 3B. Many of these jobs would be created in Luna and Hidalgo counties. Approximately \$38 million to \$41 million in labor income would be paid out to workers. In the communities of Deming in Luna County; Lordsburg in Hidalgo County; and Hanover, Hurley, and Silver City in Grant County, direct and indirect employment would likely result. Job creation during construction along the New Mexico-Arizona border may result in positive economic benefits to some Arizona communities, if workers were to decide to commute or temporarily relocate there.

Table G2-2. Route Group 3 – Employment and Wages for Transmission Line Construction (Subroutes 3A and 3B – New Mexico)

New Mexico County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Grant	Employment (number of jobs)	54	34	26	114	61	35	27	122
	Labor Income (2010 \$Mil)	6	2	1	8.78	7	1	1	9.36
Hidalgo	Employment (number of jobs)	95	48	22	165	102	49	23	174
	Labor Income (2010 \$Mil)	11	2	1	13.56	12	2	1	14.51
Luna	Employment (number of jobs)	96	75	33	204	115	80	37	233
	Labor Income (2010 \$Mil)	12	3	1	15.40	14	3	1	17.50
County Sum	Employment (number of jobs)	245	157	81	483	278	164	87	529
	Labor Income (2010 \$Mil)	29	6	2	38	33	6	2	41
New Mexico Total	Employment (number of jobs)	275	201	353	829	300	201	367	868
	Labor Income (2010 \$Mil)	33	11	13	56.78	36	11	13	60.22

Source: University of Arizona and New Mexico State University, 2011a
 Note: Totals are the average of subroutes in Route Group 3, New Mexico

Anticipated job creation and labor income in Arizona for Subroute 3A and Subroute 3B varies, primarily due to the fact that Subroute 3B crosses a greater distance than Subroute 3A. Subroute 3A (Table G2-3) is expected to create approximately 240 to 255 jobs in Cochise and Greenlee counties, while Subroute 3B (Table G2-4) is projected to create approximately 350 to 360 jobs in Cochise and Graham counties. Consequently, Subroute 3B would result in up to \$27 million in labor income, as compared to approximately \$19 million for Subroute 3A. In addition to construction employment, economic opportunities for communities crossed by both subroutes in Arizona would likely benefit Bowie, Willcox, and Safford, as well as small unincorporated rural communities in the vicinity.

Table G2-3. Route Group 3 – Employment and Wages for Transmission Line Construction (Subroute 3A – Arizona)

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Graham	Employment (number of jobs)	77	53	48	178	87	55	52	193
	Labor Income (2010 \$Mil)	9.15	2.42	1.61	13.18	10.49	2.42	1.61	14.53
Greenlee	Employment (number of jobs)	32	20	6	59	35	20	6	61
	Labor Income (2010 \$Mil)	3.94	1.06	0.29	5.28	4.22	0.10	0.29	4.61
County Sum	Employment (number of jobs)	109	73	54	237	121	76	58	255
	Labor Income (2010 \$Mil)	13.1	3.5	1.9	18.5	14.7	2.5	1.9	19.13
Arizona Total	Employment (number of jobs)	104	96	226	426	119	99	240	458
	Labor Income (2010 \$Mil)	12.41	5.48	9.86	27.74	14.24	5.48	10.59	30.30

Source: University of Arizona and New Mexico State University, 2011a

Table G2-4. Route Group 3– Employment and Wages for Transmission Line Construction (Subroute 3B – Arizona)

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Cochise	Employment (number of jobs)	96	81	58	235	100	78	57	235
	Labor Income (2010 \$Mil)	11.48	3.74	2.14	17.36	12.02	3.47	2.14	18
Graham	Employment (number of jobs)	50	35	31	116	57	36	34	127
	Labor Income (2010 \$Mil)	5.98	1.58	1.06	8.62	6.86	1.58	1.06	9.50
County Sum	Employment (number of jobs)	146	116	89	351	156	114	91	361
	Labor Income (2010 \$Mil)	17.5	5.3	3.2	26.0	18.9	5.1	3.2	27.13
Arizona Total	Employment (number of jobs)	126	117	274	517	144	120	291	556
	Labor Income (2010 \$Mil)	15.06	6.65	11.96	33.67	17.28	6.65	12.85	36.77

Source: University of Arizona and New Mexico State University, 2011a

Route Group 4: Midpoint Substation to Willow-500 kV Substation

Transmission Line Construction

Subroute 4A – North of Mount Graham and Subroute 4B – Sulphur Springs Valley

Subroute 4A is expected to create slightly more jobs in Graham County than in Pinal County. Overall, approximately 850 to 930 jobs, and \$67 million to \$73 million in labor income would be paid to direct and indirect employees. Communities that would likely benefit from direct and indirect job creation attributed to Subroute 4A include Safford in Graham County; San Manuel, Mammoth, Oracle, and Casa Grande in Pinal County; and portions of north Pima County.

Employment and labor income for Subroute 4B is similar to Subroute 4A in Graham and Pinal counties.

Table G2-5 represents the average number of jobs and labor income for subroutes 4A and 4B in Arizona.

Table G2-5. Route Group 4 – Employment and Wages for Transmission Line Construction (Subroutes 4A and 4B – Arizona)									
Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Graham	Employment (number of jobs)	184	126	114	424	207	132	123	462
	Labor Income (2010 \$Mil)	21.83	5.78	3.85	31.46	25.04	5.78	3.85	34.67
Pinal	Employment (number of jobs)	192	133	104	429	221	139	111	471
	Labor Income (2010 \$Mil)	23.36	7.56	4.12	35.04	26.79	7.56	4.1	38.47
County Sum	Employment (number of jobs)	376	259	218	853	428	270	234	932
	Labor Income (2010 \$Mil)	45.2	13.3	8.0	66.5	51.8	13.3	8.0	73.14
Arizona Total	Employment (number of jobs)	379	350	823	1,551	433	359	874	1667
	Labor Income (2010 \$Mil)	45.19	19.94	35.88	101.00	51.83	19.94	38.54	110.31

Subroute 4C

The construction of Subroute 4C1 would create direct and indirect employment in Cochise, Graham, and Pinal counties. Cochise and Pinal counties could experience the largest number of direct and indirect job creation, ranging from 430 up to 515 jobs and \$32 million to \$42 million of labor income (Table G2-6). In all, between 1,000 and 1,050 jobs and \$76 million and \$83 million in labor income could result during the construction phase of Subroute 4C1.

Subroutes 4C2 and 4C3 cross Cochise, Graham, Pima, and Pinal counties in Arizona; however, Subroute 4C2 only crosses a small portion of northeast Pima County. During construction, approximately 745 to 930 direct jobs and approximately 270 to 320 additional indirect jobs would result (Table G2-6). Total labor income across the four counties would range between \$78 million and \$97 million, if Subroute 4C2 were constructed.

If Subroute 4C3 were constructed, impacts to jobs and labor income during the construction phase would be the greatest in Pima and Cochise counties (Table G2-6). Overall, Subroute 4C3

has the potential to create the most jobs and greatest amount of labor income across Route Group 4.

Table G2-6. Route Group 4 – Employment and Wages for Transmission Line Construction: Subroute 4C – Arizona									
Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Subroute 4C1									
Cochise	Employment (number of jobs)	178	150	107	435	185	145	105	435
	Labor Income (2010 \$Mil)	21.29	6.93	3.96	32.18	22.28	6.44	3.96	33
Graham	Employment (number of jobs)	40	28	25	93	45	29	27	101
	Labor Income (2010 \$Mil)	4.79	1.27	0.85	6.91	5.50	1.27	0.85	7.61
Pinal	Employment (number of jobs)	211	146	114	470	243	152	121	516
	Labor Income (2010 \$Mil)	25.64	8.29	4.52	38.45	29.41	8.29	4.5	42.22
County Sum	Employment (number of jobs)	429	324	246	999	473	326	254	1053
	Labor Income (2010 \$Mil)	51.7	16.5	9.3	77.5	57.2	16.0	9.3	82.51
Arizona Total	Employment (number of jobs)	425	378	883	1,686	473	378	917	1768
	Labor Income (2010 \$Mil)	51.43	20.85	38.92	111.20	56.99	19.46	40.31	116.76
Subroute 4C2									
Cochise	Employment (number of jobs)	173	147	104	425	180	142	103	425
	Labor Income (2010 \$Mil)	20.77	6.76	3.86	31.40	21.74	6.28	3.86	32

Table G2-6. Route Group 4 – Employment and Wages for Transmission Line Construction: Subroute 4C – Arizona

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
Graham	Employment (number of jobs)	17	11	10	38	19	12	11	42
	Labor Income (2010 \$Mil)	1.97	0.52	0.35	2.84	2.26	0.52	0.35	3.13
Pima	Employment (number of jobs)	47	32	53	132	53	33	56	142
	Labor Income (2010 \$Mil)	5.67	1.46	2.11	9.23	6.32	1.62	2.3	10.21
Pinal	Employment (number of jobs)	228	157	123	509	262	165	131	558
	Labor Income (2010 \$Mil)	27.71	8.97	4.89	41.57	31.79	8.97	4.9	45.64
County Sum	Employment (number of jobs)	465	348	290	1,103	514	351	301	1166
	Labor Income (2010 \$Mil)	56.1	17.7	11.2	85.0	62.1	17.4	11.4	90.86
Arizona Total	Employment (number of jobs)	465	413	964	1,841	516	413	1002	1931
	Labor Income (2010 \$Mil)	56.17	22.77	42.50	121.44	62.24	21.25	44.02	127.51
Subroute 4C2a									
Cochise	Employment (number of jobs)	173	147	104	425	180	142	103	425
	Labor Income (2010 \$Mil)	20.77	6.76	3.86	31.40	21.74	6.28	3.86	32
Graham	Employment (number of jobs)	17	11	10	38	19	12	11	42
	Labor Income (2010 \$Mil)	1.97	0.52	0.35	2.84	2.26	0.52	0.35	3.13
Pima	Employment (number of jobs)	47	32	53	132	53	33	56	142

Table G2-6. Route Group 4 – Employment and Wages for Transmission Line Construction: Subroute 4C – Arizona

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
	Labor Income (2010 \$Mil)	5.67	1.46	2.11	9.23	6.32	1.62	2.3	10.21
Pinal	Employment (number of jobs)	189	130	102	421	217	136	109	462
	Labor Income (2010 \$Mil)	22.95	7.43	4.05	34.43	26.33	7.43	4.1	37.80
County Sum	Employment (number of jobs)	426	321	269	1,016	469	323	278	1070
	Labor Income (2010 \$Mil)	51.4	16.2	10.4	77.9	56.6	15.8	10.5	83.02
Arizona Total	Employment (number of jobs)	422	375	875	1,672	469	375	909	1753
	Labor Income (2010 \$Mil)	50.99	20.67	38.58	110.24	56.50	19.29	39.96	115.75
Subroute 4C2b									
Cochise	Employment (number of jobs)	207	175	125	507	215	169	123	507
	Labor Income (2010 \$Mil)	24.81	8.08	4.62	37.51	25.97	7.50	4.62	38
Graham	Employment (number of jobs)	17	11	10	38	19	12	11	42
	Labor Income (2010 \$Mil)	1.97	0.52	0.35	2.84	2.26	0.52	0.35	3.13
Pima	Employment (number of jobs)	47	32	53	132	53	33	56	142
	Labor Income (2010 \$Mil)	5.67	1.46	2.11	9.23	6.32	1.62	2.3	10.21
Pinal	Employment (number of jobs)	189	130	102	421	217	136	109	462

Table G2-6. Route Group 4 – Employment and Wages for Transmission Line Construction: Subroute 4C – Arizona

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
	Labor Income (2010 \$Mil)	22.95	7.43	4.05	34.43	26.33	7.43	4.1	37.80
County Sum	Employment (number of jobs)	459	350	290	1,098	504	351	298	1153
	Labor Income (2010 \$Mil)	55.4	17.5	11.1	84.0	60.9	17.1	11.3	89.22
Arizona Total	Employment (number of jobs)	450	400	935	1,786	500	400	972	1872
	Labor Income (2010 \$Mil)	54.46	22.08	41.22	117.76	60.35	20.61	42.69	123.65
Subroute 4C2c									
Cochise	Employment (number of jobs)	207	175	125	507	215	169	123	507
	Labor Income (2010 \$Mil)	24.81	8.08	4.62	38	25.97	7.50	4.62	38
Graham	Employment (number of jobs)	17	11	10	38	19	12	11	42
	Labor Income (2010 \$Mil)	1.97	0.52	0.35	2.84	2.26	0.52	0.35	3.13
Pima	Employment (number of jobs)	47	32	53	132	53	33	56	142
	Labor Income (2010 \$Mil)	5.67	1.46	2.11	9.23	6.32	1.62	2.3	10.21
Pinal	Employment (number of jobs)	189	157	123	469	262	165	131	558
	Labor Income (2010 \$Mil)	22.95	8.97	4.89	36.81	31.79	8.97	4.9	45.64
County Sum	Employment (number of jobs)	459	377	311	1,147	549	379	321	1249

Table G2-6. Route Group 4 – Employment and Wages for Transmission Line Construction: Subroute 4C – Arizona

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
	Labor Income (2010 \$Mil)	55.4	19.0	12.0	86.4	66.3	18.6	12.1	97.06
Arizona Total	Employment (number of jobs)	493	438	1024	1,955	548	438	1064	2050
	Labor Income (2010 \$Mil)	59.64	24.18	45.14	128.96	66.09	22.57	46.75	135.41
Subroute 4C3									
Cochise	Employment (number of jobs)	185	157	111	453	192	151	110	453
	Labor Income (2010 \$Mil)	22.15	7.21	4.12	33.48	23.18	6.70	4.12	34
Graham	Employment (number of jobs)	17	11	10	38	19	12	11	42
	Labor Income (2010 \$Mil)	1.97	0.52	0.35	2.84	2.26	0.52	0.35	3.13
Pima	Employment (number of jobs)	204	141	230	575	230	146	243	619
	Labor Income (2010 \$Mil)	24.75	6.36	9.19	40.30	27.57	7.07	9.9	44.54
Pinal	Employment (number of jobs)	126	87	68	280	145	91	72	308
	Labor Income (2010 \$Mil)	15.27	4.94	2.69	22.90	17.51	4.94	2.7	25.14
County Sum	Employment (number of jobs)	531	396	419	1,346	585	399	436	1421

Table G2-6. Route Group 4 – Employment and Wages for Transmission Line Construction: Subroute 4C – Arizona

Arizona County	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
	Labor Income (2010 \$Mil)	64.1	19.0	16.4	99.5	70.5	19.2	17.1	106.81
Arizona Total	Employment (number of jobs)	529	470	1098	2,097	588	470	1141	2199
	Labor Income (2010 \$Mil)	63.97	25.94	48.41	138.32	70.89	24.21	50.14	145.24

Source: University of Arizona and New Mexico State University, 2011a

Substation Construction (New Mexico and Arizona)

Three substations could be constructed in New Mexico in Lincoln, Hidalgo, and Luna counties: SunZia East, Lordsburg, and Midpoint substations, respectively. Two substations could be constructed in Arizona in Graham and Pinal counties: Willow-500 kV and Pinal Central substations, respectively. Table G2-7 represents the potential economic impacts by state across each development option. The cost of the development for the construction of all five substations or expansions is estimated to be \$299.3 million (Option A) and \$1.4 billion (Option B). The communities of Deming (Luna County), Carrizozo (Lincoln County), and Lordsburg (Hidalgo County) in New Mexico, as well as smaller rural communities, would benefit from increased job creation and labor income spent locally.

Between 220 and 270 new jobs and \$12 million to \$21 million in labor income would result from the development of options A and B, respectively. Unemployed construction workers in Safford, Bowie, Willcox, Eloy, Coolidge, Florence, Casa Grande, and the Tucson region could potentially benefit from new job opportunities.

Table G2-7. New Mexico and Arizona – Employment and Wages for Substation Construction

State	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
New Mexico	Employment (number of jobs)	321	147	220	688	326	140	220	686

Table G2-7. New Mexico and Arizona – Employment and Wages for Substation Construction

State	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
	Labor Income (2010 \$Mil)	38.5	6.8	7.9	53.2	39.1	6.2	8	53.3
Arizona	Employment (number of jobs)	61	47	111	219	85	52	136	273
	Labor Income (2010 \$Mil)	9.1	2.1	4.9	16.1	12.7	2.2	5.9	20.8
Total	Employment (number of jobs)	382	194	331	907	411	192	356	959
	Labor Income (2010 \$Mil)	47.6	8.9	12.8	69.3	51.8	8.4	13.9	74.1

Source: University of Arizona and New Mexico State University, 2011a

Operations (New Mexico and Arizona)

Operations employment associated with the Project is expected to take place each year, following the completion of the Project. Table G2-8 represents employment and income impacts expected to result for the life of the Project (estimated to be at least 50) on a yearly basis across New Mexico and Arizona. New Mexico operations would be largely based in Doña Ana County near Las Cruces. Approximately 41 to 50 jobs could result across the state.

In Arizona, Pima County (Tucson metropolitan area) is expected to house maintenance employment near the transmission line(s), while Maricopa County (Phoenix metropolitan area) would likely be home to the central management of the transmission line(s) and substations. For this reason, a smaller portion of this statewide employment would be located in Pima County; approximately one-third of all operations-related permanent jobs in Arizona. The total number of operations jobs would range between 85 and 100 jobs. Across both states, a total of approximately 125 to 150 jobs and \$8 million to \$10 million in labor income could result.

Table G2-8. New Mexico and Arizona – Employment and Wages for Project Operations

State	Impact Category	Option A				Option B			
		Direct Employment Effects		Indirect Employment Effects	Total Effects	Direct Employment Effects		Indirect Employment Effects	Total Effects
		Labor	Other			Labor	Other		
New Mexico	Employment (number of jobs)	17	8	16	41	21	10	19	50
	Labor Income (2010 \$Mil)	1.5	0.3	0.5	2.3	1.9	0.4	0.6	2.9
Arizona	Employment (number of jobs)	28	13	45	86	33	14	53	100
	Labor Income (2010 \$Mil)	3.2	0.4	1.9	5.5	3.8	0.5	2.3	6.6
Total	Employment (number of jobs)	45	21	61	127	54	24	72	150
	Labor Income (2010 \$Mil)	4.7	0.7	2.4	7.8	5.7	0.9	2.9	9.5

Source: University of Arizona and New Mexico State University, 2011a

State and Local Sales and Income Tax Revenue

Route Group 1: SunZia East Substation to Midpoint Substation

Transmission Line Construction

Subroute 1A – North River Crossing

Subroute 1A2 is the longest Subroute in Route Group 1. Subroutes 1A, 1A1, or 1A2 are expected to generate between \$8.9 million and \$10.1 million in direct and induced tax revenues across Lincoln, Luna, Sierra, Socorro, and Torrance counties. The communities in Socorro and Sierra counties that would benefit the most from job creation and labor income increases would also see the greatest tax benefits. Socorro and Sierra counties could expect to receive up to approximately \$5.4 million and \$2.8 million during the construction of Subroute 1A, 1A1, or 1A2, respectively. Lincoln County could receive \$890,000 to \$1 million, Luna County could receive approximately \$1.1 million, and Torrance County could receive approximately \$1 million in revenues. All numbers presented for subroutes 1A and 1B were calculated based on average multipliers unique to each subroute (Charney et. al. 2011).

Subroute 1B – San Antonio Crossing

Subroute 1B1 is slightly shorter than Subroute 1A2, and is expected to generate a slightly smaller amount of tax revenue than Subroute 1A, 1A1, or 1A2. The overall economic impacts would be similar to those mentioned for Subroute 1A.

Subroutes 1B2 and 1B3 are expected to generate slightly lower tax revenue than subroutes 1A and 1B1. Table G2-9 illustrates the average tax revenue across all Route Group 1 subroutes. Overall, these numbers are representative of tax revenue that could be expected to result from the construction of any subroute within this route group.

Table G2-9. Route Group 1 –Tax Revenue Estimates for Transmission Line(s) Construction (\$1,000s in 2010 dollars)						
New Mexico County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Lincoln	858	111	969	810	118	928
Luna	1,021	126	1,146	1,004	144	1,148
Sierra	2,385	309	2,694	2,241	313	2,555
Socorro	4,387	596	4,983	4,119	635	4,754
Torrance	882	118	1,000	828	125	953
County Sum¹	9,532	1,260	10,792	9,003	1,335	9,385
New Mexico Total	22,834	10,273	33,107	21,583	10,856	32,439

¹Totals may not sum, due to rounding.

Route Group 3: Midpoint Substation to Willow-500 kV Substation

Transmission Line Construction

Subroute 3A and Subroute 3B

Subroutes 3A and 3B cross Luna, Hidalgo, and Grant counties in New Mexico. Approximately \$4.0 million to \$4.1 million in tax revenue could be generated, with the greatest amount of tax revenue generated in Luna and Hidalgo counties (\$1.9 million and \$1.4 million, respectively). Tax revenue resulting from the construction of the transmission line(s) would be distributed across each New Mexico county that is crossed, including the communities of Deming in Luna County; Lordsburg in Hidalgo County; and Hanover, Hurley, and Silver City in Grant County. Table G2-10 summarizes the average tax revenue impacts for subroutes 3A and 3B in New Mexico.

**Table G2-10. Route Group 3 – Tax Revenue Estimates
for Transmission Line(s) Construction (\$1,000s in 2010 dollars)**

New Mexico County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Grant	824	110	942	771	119	890
Hidalgo	1,216	137	1,353	1,120	144	1,265
Luna	1,644	202	1,846	1,617	231	1,849
County Sum ¹	3,779	461	4,141	3,598	506	4,003
New Mexico Total	8,967	4,034	13,001	8,475	4,263	12,738

¹Totals may not sum, due to rounding.

Anticipated tax revenue in Arizona for subroutes 3A and 3B vary from one another, primarily due to the fact that Subroute 3B crosses a greater distance than Subroute 3A. Subroute 3A (Table G2-11) is expected to produce approximately \$710,000 in Graham County and approximately \$69,000 in Greenlee County. Subroute 3B (Table G2-12) is projected to generate approximately \$1.1 million in Cochise County, and approximately \$460,000 in Graham County. Subroutes 3A and 3B in Arizona are expected to financially benefit Bowie, Willcox, and Safford, as well as small, unincorporated rural communities in the vicinity of the Project.

**Table G2-11. Subroute 3A– Tax Revenue Estimates
for Transmission Line(s) Construction (\$1,000s in 2010 dollars)¹**

Arizona County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Graham	574	119	693	581	129	710
Greenlee	56	13	68	55	13	69
County Sum	629	132	761	636	142	778
Arizona Total	2,817	1,091	3,908	2,841	1,182	4,023

¹Table does not include state-shared revenue generated for Arizona counties and communities not crossed by the Subroute. Tax revenue benefits are expected to be shared across all 15 Arizona counties.
Source: University of Arizona and New Mexico State University, 2011a

**Table G2-12. Subroute 3B– Tax Revenue Estimates
for Transmission Line(s) Construction (\$1,000s in 2010 dollars)¹**

Arizona County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Cochise	894	198	1,093	857	198	1,055
Graham	372	77	449	377	83	460
County Sum	1,266	275	1,542	1,234	282	1,515
Arizona Total	3,391	1,313	4,704	3,420	1,423	4,843

¹Table does not include state-shared revenue generated for Arizona counties and communities not crossed by the Subroute. Tax revenue benefits are expected to be shared across all 15 Arizona counties.
Source: University of Arizona and New Mexico State University, 2011a

Route Group 4: Midpoint Substation to Willow-500 kV Substation

Transmission Line(s) Construction

Subroute 4A – North of Mount Graham

Subroute 4A is expected to generate approximately \$1.7 million in tax revenues in Graham County and approximately \$2.8 million in Pinal County. Communities that would likely benefit from direct and induced tax revenue include Safford in Graham County; San Manuel, Mammoth, Oracle, and Casa Grande in Pinal County; and portions of north Pima County.

Subroute 4B – Sulphur Springs Valley

Tax revenue for state and local governments from the construction of Subroute 4B would be similar to Subroute 4A, because each crosses the same distance of land in proximity to the same communities (Table G2-13).

Table G2-13. Subroutes 4A and 4B – Tax Revenue Estimates for Transmission Line Construction (\$1,000s in 2010 dollars)¹						
Arizona County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Subroute 4A – North of Mount Graham¹						
Graham	1,357	281	1,638	1,374	304	1,678
Pinal	2,206	470	2,675	2,254	510	2,764
County Sum	3,562	751	4,313	3,628	814	4,443
Arizona Total	10,174	3,939	14,113	10,259	4,270	14,529
Subroute 4B – Sulphur Springs Valley						
Graham	1,359	281	1,640	1,376	305	1,681
Pinal	2,206	301	2,506	2,254	510	2,764
County Sum	3,564	582	4,147	3,631	815	4,445
Arizona Total	10,182	3,942	14,124	10,267	4,273	14,540

¹ Table does not include state-shared revenue generated for Arizona counties and communities not crossed by the Subroute. Tax revenue benefits are expected to be shared across all 15 Arizona counties.
Source: University of Arizona and New Mexico State University, 2011a

Subroute 4C

The construction of subroutes 4C1, 4C2, and 4C3 presents varying levels of tax revenue generation across southern and eastern Arizona (Table G2-14). Tax revenue generation is directly tied to the length of each alternative (approximately 139 miles, 151 miles, and 173 miles,

respectively). The expected tax revenue impacts of Subroute 4C1 are similar to those presented for subroutes 4A and 4B, and may generate between \$4.4 million and \$5.3 million.

Subroute 4C2 crosses only 16 miles in Pima County, but is expected to contribute approximately \$1.4 million in tax revenues for the county. Most of these impacts would result from state-shared revenue allocated to the county based on its large population size. Tax revenue impacts resulting from the construction of Subroute 4C2 could reach \$6.6 million.

Subroute 4C3 has the potential to create the largest tax revenue impact among all alternative subroutes presented in Route Group 4, due in part to the length of the line relative to other subroutes; and because counties with large populations are able to keep more dollars circulating in the local economy (Charney et. al. 2011). Pima County would be expected to generate the largest amount of direct and induced tax revenue. Despite only 41 percent of Subroute 4C3 crossing Pima County, the county expects to generate approximately 47 percent and 60 percent of all tax revenue for options A and B, respectively.

Table G2-14. Subroutes 4C1, 4C2, 4C3 – Tax Revenue Estimates for Transmission Line Construction (\$1,000s in 2010 dollars)¹

Arizona County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Subroute 4C1 – San Pedro Valley						
Cochise	1,658	368	2,026	850	189	1,038
Graham	298	62	360	302	67	369
Pinal	2,421	515	2,936	2,474	560	3,034
County Sum	4,376	945	5,321	3,626	815	4,441
Arizona Total	11,243	4,999	16,242	9,129	5,287	14,416
Subroute 4C2 – San Pedro Valley						
Cochise	1,775	394	2,169	1,701	393	2,095
Graham	123	25	148	124	27	152
Pima	972	529	1,502	1,086	306	1,392
Pinal	2,210	447	2,657	2,445	527	2,972
County Sum	5,081	1,395	6,475	5,356	1,254	6,610
Arizona Total	12,092	5,377	17,469	9,818	5,687	15,505
Subroute 4C3 – Tucson						
Cochise	1,725	382	2,107	1,653	382	2,035
Graham	123	25	148	124	27	152
Pima	2,305	1,254	3,560	4,740	1,334	6,074
Pinal	1,441	307	1,748	1,473	333	1,807
County Sum	5,594	1,969	7,563	7,990	2,077	10,068

Table G2-14. Subroutes 4C1, 4C2, 4C3 – Tax Revenue Estimates for Transmission Line Construction (\$1,000s in 2010 dollars)¹

Arizona County	Option A			Option B		
	Direct Sales Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Arizona Total	13,985	6,218	20,203	11,355	6,577	17,932

¹Table does not include state-shared revenue generated for Arizona counties and communities not crossed by the subroute. Tax revenue benefits are expected to be shared across all 15 Arizona counties.

Source: University of Arizona and New Mexico State University 2011a

Substation Construction in New Mexico

Table G2-15 illustrates that between \$5.2 million and \$21 million could be generated for Hidalgo, Lincoln, and Luna counties from the construction of three substations.

Table G2-15. New Mexico – Tax Revenue Estimates for Substation Construction (\$1,000s in 2010 dollars)

New Mexico County	Option A			Option B		
	Direct Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
Hidalgo	776.2	166.2	942.4	631.9	134.6	766.5
Lincoln	1,936.6	145.3	2,081.9	18,518.2	99.3	18,617.5
Luna	2,009.1	192.3	2,201.4	1,484.3	160.1	1,644.4
County Sum	4,721.9	503.8	5,225.7	20,634.4	394.0	21,028.4
New Mexico Total	10,474.8	3,378.8	13,853.6	45,035.3	3,370.0	48,405.3

Source: University of Arizona and New Mexico State University 2011a

Substation Construction in Arizona

Approximately \$590,000 or \$2.2 million could be generated for Pinal and Graham counties from the construction of two substations (Table G2-16). Cochise, Graham, and Greenlee counties would also receive tax revenues. As with Subroute 4C3, Pima County would receive a large portion of state-shared revenue for each development option.

Table G2-16. Arizona – Tax Revenue Estimates for Substation Construction (\$1,000s in 2010 dollars)

Arizona County	Option A			Option B		
	Direct Tax	Induced Tax	Total	Direct Sale Tax	Induced Tax	Total
Cochise	11.6	2.2	13.8	36.5	7.3	43.8
Graham	505.4	86.4	591.8	375.6	68.8	444.4

**Table G2-16. Arizona – Tax Revenue Estimates
for Substation Construction (\$1,000s in 2010 dollars)**

Arizona County	Option A			Option B		
	Direct Tax	Induced Tax	Total	Direct Sale Tax	Induced Tax	Total
Greenlee	1.4	0.3	1.7	4.3	1.9	6.2
Pima	91.9	18.0	109.9	290.2	58.2	348.4
Pinal	136.1	21.2	157.3	2,142.2	97.2	2,239.4
County Sum	746.4	128.1	874.5	2,848.8	233.4	3,082.2
Arizona Total	1,999.3	1,150.4	3,149.7	6,804.9	1,715.5	8,520.4

Source: University of Arizona and New Mexico State University, 2011a.

Substation Operations in New Mexico

The operations phase for the proposed Project is expected to yield between \$340,000 and \$410,000 of direct and induced tax revenue per year across the state of New Mexico (Table G2-17). Most of these benefits are expected to impact Doña Ana County, where workers for transmission line and substation maintenance would be based. Based on the EIA, if the Project is operated for its expected life span, between \$17 million and \$20 million (in 2010 dollars, not including depreciation) in tax revenue could be generated in New Mexico (Charney et al. 2011).

Substation Operations in Arizona

Tax revenue benefits in Arizona are expected to be much greater than those in New Mexico, because the centralized operations functions of the transmission line(s) would be based in the Phoenix area in Maricopa County; maintenance of the line would be based in Pima County. The total yearly direct and induced tax revenues are expected to range between \$520,000 and \$690,000, depending on which development option is chosen (Table G2-18). According to the EIA for the Project, if the Project is operated for its expected life span, between \$26 million and \$35 million (in 2010 dollars, not including depreciation) in tax revenue could be generated in Arizona (Charney et al. 2011). Table G2-17 represents the average income tax revenue by state for Project operations.

Table G2-17. Tax Revenue Estimates by State for Substation Operations (\$1,000s in 2010 dollars)¹

State	Option A			Option B		
	Direct Tax	Induced Tax	Total	Direct Sales Tax	Induced Tax	Total
New Mexico	210	130	340	250	160	410
Arizona	60	460	520	70	620	690

¹ Table includes state-shared revenue generated for only Arizona counties that are crossed by a Project subroute; however, tax revenue is expected to be shared across all 15 Arizona counties.
Source: University of Arizona and New Mexico State University, 2011a

Property Tax Revenues

Route Group 1: SunZia East Substation to Midpoint Substation

Construction of Transmission Lines and Substations

Similar to employment, income, and tax revenues previously presented for Route Group 1, there is little to no variance in expected property tax revenue across subroutes 1A and 1B. Over the 2- to 3-year construction period, between \$9.4 million and \$13.7 million could be generated across Lincoln, Luna, Sierra, and Socorro counties (Table G2-18). Socorro County would expect the greatest property tax revenue, because most construction would take place within its boundaries.

Operations

During the first 5 years of operations, all four counties could expect to receive \$26.3 million to \$49.8 million in property tax revenues (Table G2-18).

Table G2-18. Route Group 1 – Average Property Tax Revenues during Construction and Operations (\$1,000s in 2010 dollars)

New Mexico County	Option A		Option B	
	Construction (2013 to 2016)	Operations (2017 to 2021)	Construction (2013 to 2016)	Operations (2017 to 2021)
Lincoln ¹	1,778	4,896	6,512	29,858
Luna ¹	1,611	2,765	1,424	2,426
Sierra	1,892	5,844	1,819	5,483
Socorro	4,147	12,789	3,984	11,990
Total	9,428	26,295	13,738	49,756

¹County includes property tax revenues expected from construction and operations associated with the substations.
Source: University of Arizona and New Mexico State University, 2011a

Route Group 3: Midpoint Substation to Willow-500 kV Substation

Construction of Transmission Lines and Substations in New Mexico

Table G2-19 presents the expected average property tax revenues generated for Grant, Hidalgo, and Luna counties from subroutes 3A and 3B. Over the 2- to 3-year construction period, between \$3.6 million and \$3.9 million could be generated as a result of the construction of Subroute 3A. Subroute 3B would generate similar tax revenues, estimated to be between \$3.5 million and \$3.8 million.

Operations in New Mexico

During the first 5 years of operations, subroutes 3A and 3B present similar property tax revenue estimates. Subroute 3A presents an opportunity for the collection of \$8.8 million to \$9.9 million across Grant, Hidalgo, and Luna counties; while Subroute 3B would create revenue ranging between \$8.6 million and \$9.7 million.

Table G2-19. Route Group 3 (New Mexico) – Property Tax Revenues during Construction and Operations (\$1,000s in 2010 dollars)¹				
County	Option A		Option B	
	Construction (2013 to 2016)	Operations (2017 to 2021)	Construction (2013 to 2016)	Operations (2017 to 2021)
Subroute 3A–North				
Grant	430	1,324	412	1,238
Hidalgo¹	1,476	4,200	1,369	3,677
Luna¹	1,958	4,422	1,770	3,879
Total	3,864	9,947	3,550	8,794
Subroute 3B – South				
Grant	387	1,193	371	1,115
Hidalgo¹	1,434	4,004	1,327	3,506
Luna¹	1,979	4,524	1,792	3,968
Total	3,799	9,721	3,490	8,588

¹County includes property tax revenues expected from construction and operations associated with the substations.
Source: University of Arizona and New Mexico State University, 2011a

Construction of Transmission Lines and Substations in Arizona

As with employment, income, and tax revenues previously presented for Route Group 3 in Arizona, the difference in property tax revenue is directly related to the difference in length between subroutes 3A and 3B. Table G2-20 presents the expected property tax revenues for Cochise, Graham, and Greenlee counties. Subroute 3A is expected to create between \$1.2 million and \$1.6 million of property tax revenue in Graham and Greenlee counties; while Subroute 3B is expected to create between \$2.0 million and \$2.3 million in Cochise and Graham counties.

Operations in Arizona

During the first 5 years of operations, subroutes 3A and 3B are expected to create \$1.6 million to \$1.8 million and \$2.4 million to \$2.7 million in property tax revenues, respectively (Table G2-20).

Table G2-20. Route Group 3 (Arizona) – Property Tax Revenues during Construction and Operations (\$1,000s in 2010 dollars)				
County	Option A		Option B	
	Construction (2013 to 2016)	Operations (2017 to 2021)	Construction (2013 to 2016)	Operations (2017 to 2021)
Subroute 3A–North				
Graham¹	979	1,322	1,419	1,169
Greenlee	232	432	220	403
Total	1,211	1,754	1,639	1,572
Subroute 3B – South				
Cochise	982	1,841	912	1,670
Graham¹	977	865	1,417	765
Total	1,958	2,707	2,329	2,435
¹ County includes property tax revenues expected from construction and operations associated with the substations. Source: University of Arizona and New Mexico State University, 2011a				

Route Group 4: Midpoint Substation to Willow-500 kV Substation

Construction of Transmission Lines and Substations

Subroute 4A – North of Mount Graham

Subroute 4A is expected to generate between \$3.3 million and \$8.8 million in tax revenue in Graham and Pinal counties in Arizona (Table G2-21). The greatest property tax revenue would be gathered from construction in Pinal County. The development of a new substation would be required if the development of Option B were chosen, because a DC converter station would be required. Options A would only require an expansion of the approved Pinal Central Substation, and would cover approximately 75 fewer acres than Option B.

Subroute 4B – Sulphur Springs Valley

Property tax revenue resulting from the construction of Subroute 4B would be similar to Subroute 4A, because each crosses the same distance of land in proximity to the same communities.

Table G2-21. Route Group 4 (Subroutes 4A and 4B) – Property Tax Revenues during Construction and Operations (\$1,000s in 2010 dollars)

Arizona County	Option A		Option B	
	Construction (2013 to 2016)	Operations (2017 to 2021)	Construction (2013 to 2016)	Operations (2017 to 2021)
Subroute 4A – North of Mount Graham				
Graham ¹	1,473	3,156	1,902	2,790
Pinal ¹	1,832	3,410	6,953	15,744
Total	3,305	6,566	8,855	18,534
Subroute 4B – Sulphur Springs Valley				
Graham ¹	1,473	3,156	1,902	2,790
Pinal ¹	1,832	3,410	6,953	15,744
Total	3,305	6,566	8,855	18,534

¹County includes property tax revenue expected from construction and operations associated with the substations.
Source: University of Arizona and New Mexico State University, 2011a

Subroute 4C – San Pedro Valley and Tucson

Property tax revenue associated with the construction of subroutes 4C1, 4C2, or 4C3 are similar to one another. Construction of the Project would create between \$4.6 million and \$11 million in revenue over 2 to 3 years (Table G2-22). Subroutes 4C2 and 4C3 would result in property tax revenues for four counties, including Pima, while Subroute 4C1 would result in revenues for Cochise, Graham, and Pinal. Overall, Pinal County would experience the largest amount of tax revenue during construction, although it would represent a maximum of less than 1 percent of the county’s yearly operating budget of \$429.8 million (Pinal County 2011).

Table G2-22. Route Group 4 (Subroute 4C) – Average Property Tax Revenues during Construction and Operations (\$1,000s in 2010 dollars)

Arizona County	Option A		Option B	
	Construction (2013 to 2016)	Operations (2017 to 2021)	Construction (2013 to 2016)	Operations (2017 to 2021)
Subroute 4C1 San Pedro Valley				
Cochise	1,824	3,421	1,694	3,103
Graham ¹	808	688	1,252	608
Pinal ¹	2,000	3,743	7,174	17,281
Total	4,632	7,852	10,120	20,992
Subroute 4C2 San Pedro Valley				
Cochise	1,761	3,303	1,636	2,996
Graham ¹	698	280	1,145	248
Pima	477	894	457	846
Pinal ¹	2,155	4,051	7,378	18,704
Total	5,091	8,529	10,616	22,795
Subroute 4C3 San Pedro Valley – I-10 (South Tucson)				
Cochise	1,897	3,559	1,763	3,228
Graham ¹	698	280	1,145	248

Table G2-22. Route Group 4 (Subroute 4C) – Average Property Tax Revenues during Construction and Operations (\$1,000s in 2010 dollars)

Arizona County	Option A		Option B	
	Construction (2013 to 2016)	Operations (2017 to 2021)	Construction (2013 to 2016)	Operations (2017 to 2021)
Pima	2,081	3,902	1,993	3,694
Pinal¹	1,241	2,232	6,172	10,305
Total	5,917	9,972	11,073	17,474

¹County includes property tax revenue expected from construction and operations associated with the substations.
Source: University of Arizona and New Mexico State University, 2011a

Operations

Subroute 4A – North of Mount Graham

Subroute 4A is expected to generate between approximately \$6.6 million and \$18.5 million in property tax revenues in Graham and Pinal counties over the first 5 years of the operations phase. Similar to the construction phase, the operation associated with Option B would generate the largest amount of property tax revenue, because it would require the construction of a larger substation facility in Pinal County.

Subroute 4B – Sulphur Springs Valley

Property tax revenue resulting from the operations phase of Subroute 4B would be similar to Subroute 4A, because each crosses the same distance of land in proximity to the same communities.

Subroute 4C – San Pedro Valley and Tucson

Similar to property tax revenues expected from the construction of subroutes within the San Pedro Valley, the operations of a DC substation would create a larger property tax impact in Pinal County if Option B were to be developed. The range of total tax revenue resulting from operations across Subroute 4C ranges between \$10 million and \$11 million, and \$17 million and \$23 million over the first 5 years of Project operations. When divided by 5 years, the overall impacts to property tax revenues for each county would be even less; approximately \$2 million per year.