

**The Economic Impact  
of Arizona State Parks  
Heritage Funds,  
Fiscal Year 2007**



**Prepared by Arizona Hospitality  
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**NORTHERN  
ARIZONA  
UNIVERSITY**

**Commissioned by  
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## Introduction: 2007 Arizona State Parks Heritage Fund Projects

Arizona State Parks (ASP) administered Heritage Fund grants from 1991 through 2008. When sweeps to the fund started in 2008, grants were cancelled. The part of the Heritage Fund administered by ASP was subsequently removed from statutes in FY2010. Because 2008 was not a typical year for Heritage Fund grant awards, data from 2007 was used for these analyses. It is important to note that not every county took part or were awarded grants every year, so this analysis should be considered a snapshot and not representative of impacts to each community throughout the history of the grant program.

In order to accommodate the project scope and timeline of the request from the Arizona Heritage Alliance, grant projects from 2007, which included capital asset acquisitions, were identified by ASP staff, and the percentage of the project cost related to acquisition was calculated.

Based upon the data supplied by ASP, the total cost of the projects awarded Heritage Fund grants in 2007 was \$12,895,267 (this includes the grant award plus the match). These funds were dispersed to 12 of Arizona's 15 counties. ASP Heritage Funds were made available for three specific programs: 1) Trails, 2) Historic Preservation and 3) Local, Regional and State Parks (LRSP) grants. The LRSP program received the most funding (\$9,232,752), followed by Historic Preservation (\$2,778,495), and Trails grant programs (\$884,020). Total project funds per county are enumerated in Table One.

**Table 1: 2007 ASP Heritage Funds by Program Type for Arizona Counties**

County	Trails	Historic Preservation	LRSP	Total
Apache			\$970,114	\$970,114
Cochise		\$50,000		\$50,000
Coconino	\$441,106		\$1,766,860	\$2,207,966
La Paz			\$656,180	\$656,180
Maricopa	\$291,089	\$808,398	\$1,777,354	\$2,876,841
Mohave			\$1,355,096	\$1,355,096
Navajo			\$960,947	\$960,947
Pima		\$368,450		\$368,450
Pinal	\$128,395	\$636,651	\$555,087	\$1,320,133
Santa Cruz		\$235,000		\$235,000
Yavapai	\$23,430	\$679,996		\$703,426
Yuma			\$1,191,114	\$1,191,114
Arizona	\$884,020	\$2,778,495	\$9,232,752	\$12,895,267



The next step in the analysis is to take the ASP Heritage Fund total project costs allocated to counties and separate them into two general categories to help facilitate an economic analysis. The two primary categories that the funds are allocated to are acquisitions (purchases of land or buildings for trails, parks, historic preservation, etc.), and construction/rehabilitation of structures. For ease of analysis all funds are allocated to either acquisition or construction. When the funds are allocated in this manner, the majority of funds \$10,898,957 (85%) was allocated to construction; \$1,996,310 (15%) was allocated to acquisitions. Allocations for the counties and state appear in Table Two.

**Table 2: 2007 ASP Heritage Funds allocated to acquisition and construction**

County	Acquisition	Construction	Total
Apache	\$430,000	\$540,114	\$970,114
Cochise		\$50,000	\$50,000
Coconino	\$497,829	\$1,710,137	\$2,207,966
La Paz		\$656,180	\$656,180
Maricopa		\$2,876,841	\$2,876,841
Mohave	\$1,068,481	\$286,615	\$1,355,096
Navajo		\$960,947	\$960,947
Pima		\$368,450	\$368,450
Pinal		\$1,320,133	\$1,320,133
Santa Cruz		\$235,000	\$235,000
Yavapai		\$703,426	\$703,426
Yuma		\$1,191,114	\$1,191,114
Arizona	\$1,996,310	\$10,898,957	\$12,895,267

### **Methods for the 2007 ASP Heritage Fund Economic Impact Analysis**

ASP Heritage Fund program expenditures for 2007 were entered into the Input-Output model Impact Analysis for Planning (IMPLAN), and economic impacts and multiplier effects were calculated for each of the counties. Economic impact analysis (EIA) measures the direct, indirect, and induced effects of expenditures related to a program or activity by detailing industry responses and multiplier effects on many regional economic indicators such as output, income, and employment. There are three major components to any EIA:

1. Direct effects in this case are the program expenditures on either land acquisition or construction. These effects are considered to be primary effects within the counties.
2. Indirect effects are a measure of economic activity in other industrial sectors that are spurred by the direct effects. For example, the \$50,000 spent on the HBPP City Hall/Copper Queen Library in Bisbee provided an economic boost to local business sectors (a direct effect). The project required a number of inputs from other industries such as utilities, construction materials, etc. Indirect effects are the increased economic activity in these other industrial sectors caused by the project activity.

3. Induced effects are an estimate of increased economic activity resulting from wages and income attributed to the direct and indirect effects. Staying with the previous example, a portion of wages earned by workers in the HBPP City Hall/Copper Queen Library project are then re-spent locally in other industrial sectors. IMPLAN uses Personal Consumption Expenditures (PCEs) to model induced effects. PCEs provide estimates of consumer expenditures on goods and services by different income classes.

Individual EIA's are performed based on acquisition or construction/rehabilitation expenditures in the 12 counties that received funds in 2007. A separate EIA is performed for the state based upon the total program allocations. The counties cannot be aggregated up to the state, which requires a separate state analysis. Sectors used to calculate the estimated economic impacts are: *Sector 424: Grant-making and Giving*, since these funds are used for the process of land acquisition; and, *Sector 39: Maintenance and Repairs of Non-Residential Structures*.

Total direct expenditures from the ASP Heritage Fund in 2007 were \$12,895,267 spent on both land acquisition and construction related to maintenance and repair. The direct program expenditures resulted in indirect expenditures of \$4.6 million and induced expenditures of \$8.5 million for a total economic impact of \$26.1 million. Direct expenditures resulted in 125 direct jobs, 33 indirect jobs, and 66 induced jobs, for a total of 224 jobs from ASP Heritage Funds. Estimated total taxes for these expenditures (State, Local, and Federal) were \$3.3 million. See Table Three.

**Table 3: Economic Impact of the 2007 ASP Heritage Funds on the State of Arizona**

Output/Project Expenditure	State of Arizona
Direct Expenditures	\$12,895,267
• Indirect Expenditures	\$4,659,557
• Induced Expenditures	\$8,544,346
Total Economic Impact	\$26,099,170
Employment	
• Direct Employment	125
• Indirect Employment	33
• Induced Employment	66
Total Employment	224
Taxes	
• State and Local Tax	\$1,048,629
• Federal Tax	\$2,293,325
Total Taxes	\$3,341,954

Individual impacts were calculated for the counties using the same Industry Sectors. The economic impacts of the 12 counties do not add up to the impacts for the full state model (15 counties) for several reasons. County economies are smaller than the state, which produces a more complete bundle of goods and services with relatively little leakage to other states. County economies lose a percentage of expenditures immediately for goods and services that are supplied from outside that county. The impacts of leakage are smaller for counties with well-developed economies such as



Maricopa and Pima Counties, and larger for rural counties with less-developed economies such as Apache County. The model effects for the state overall are always going to be larger than for the counties even when aggregated. County economic impacts are outlined in Table Four, for the same measure as the state.

**Table 4: Economic Impact of 2007 Heritage Funds for Arizona Counties**

County	Expenditures			Economic Impact
	Direct	Indirect	Induced	
Apache	\$970,114	\$80,497	\$123,226	\$1,173,837
Cochise	\$50,000	\$4,766	\$7,017	\$61,783
Coconino	\$2,207,966	\$241,710	\$438,627	\$2,888,303
La Paz	\$656,180	\$48,045	\$71,343	\$775,567
Maricopa	\$2,876,841	\$797,071	\$1,572,343	\$5,246,255
Mohave	\$1,355,096	\$489,108	\$843,000	\$2,687,204
Navajo	\$960,947	\$94,959	\$201,901	\$1,257,807
Pima	\$368,450	\$49,587	\$95,812	\$513,849
Pinal	\$1,320,133	\$6,112	\$8,922	\$1,335,167
Santa Cruz	\$235,000	\$29,370	\$32,978	\$297,347
Yavapai	\$703,426	\$72,111	\$121,961	\$897,498
Yuma	\$1,191,114	\$114,621	\$211,264	\$1,516,999

County	Employment			
	Direct	Indirect	Induced	Total
Apache	12	1	1	14
Cochise	1	0	0	1
Coconino	26	2	4	32
La Paz	7	1	1	9
Maricopa	23	5	12	40
Mohave	15	4	8	27
Navajo	8	1	2	11
Pima	3	0	1	4
Pinal	10	0	0	10
Santa Cruz	2	0	1	3
Yavapai	7	1	1	9
Yuma	12	1	2	15

County	Taxes		
	State/Local	Federal	Total
Apache	\$30,212	\$86,842	\$117,054
Cochise	\$1,628	\$4,159	\$5,787
Coconino	\$82,766	\$236,350	\$319,116
La Paz	\$19,750	\$55,823	\$75,573
Maricopa	\$205,005	\$475,312	\$680,317
Mohave	\$90,029	\$217,874	\$307,903
Navajo	\$37,302	\$103,927	\$141,229
Pima	\$16,567	\$44,802	\$61,369
Pinal	\$27,961	\$130,469	\$158,430
Santa Cruz	\$8,374	\$21,577	\$29,951
Yavapai	\$25,452	\$75,419	\$100,871
Yuma	\$38,666	\$107,723	\$146,389

## Conclusions and Assumptions

Arizona's ASP Heritage Fund grant awards have a noticeable economic impact on both the state and the counties that receive funds. In 2007, an estimated 224 jobs resulted from the projects funded by ASP Heritage Fund grants. This impact is most noticeable in rural counties where any infusion of external funds for trail maintenance, land acquisition, and construction/repair will have a far larger impact relative to the population. Currently the loss of ASP Heritage Funds has resulted in fewer land acquisitions and the lost impacts of those dollars on the local economies as well as reduced construction/repair expenditures and jobs. There are relatively more jobs in the construction/repair side of the analysis than in the land acquisition side. The land acquisition jobs, however, tend to have a disparate impact since they are focused in the metro area where the funds originate, tend to be higher paying jobs, and are not as transitory as construction and building repair. The loss of 38 FTE's at Arizona State Parks as a result of the ASP Heritage Fund reductions is only the tip of the iceberg relative to the induced or payroll effects, which are most noticeable in the rural counties.

This economic impact is based on several assumptions. The first assumption is that to the extent that direct project expenditures are spent in the counties where they are allocated, and that goods and services for these projects were purchased in the county where the project took place, the larger the economic impact of these monies. The larger the local purchases of goods and services – such as lumber, cement, surveying, and planning – the greater the impact. Goods and services purchased outside of the study area (county) will result in a greater leakage for the project.

The second assumption is that the two IMPLAN model sectors used for this analysis are reasonable proxies for these specific activities. Based on the project descriptions, IMPLAN sector 39 Maintenance and repairs of nonresidential structures, was the closest proxy for reconstruction and building rehabilitation that matched the project description. The second sector, 424: Grant-making and Giving, was used since the funds for land acquisition are provided as grants-in-aid to purchase land for specific purposes. This sector was used to capture the spirit of the grant purpose as opposed to using a sector such as 360 real estate establishments as the land is being purchased for trails and not sold for houses. By using only two related sectors the analysis will be somewhat conservative, specifically in the indirect and induced effects. A stronger analysis could be obtained if actual budgets for services and labor could be obtained but this was beyond the scope of this project.



**Arizona State Parks  
Heritage Fund Grants:  
An Introduction**



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# **Arizona State Parks Heritage Fund Grants**

## ***Administered by Arizona State Parks***

### ***1991-2008***

## **Arizona State Parks Heritage Fund Grants: An Introduction**

Three grant programs that were administered by Arizona State Parks were funded by the Heritage Fund. The monies for these funds were obtained through the Arizona Lottery.

- **Heritage Fund - Local, Regional and State Parks Grant Program** (Up to \$3.5 million in grant money available annually):
  - Supports the acquisition of land for open space
  - Supports the acquisition and development of land for outdoor recreation facilities
- **Heritage Fund - Historic Preservation Grants** (Up to \$1.7 million in grant money available annually):
  - Supports historic preservation efforts consistent with the Secretary of the interior's Standards for Preservation
  - Includes projects such as: archaeological sites, churches/missions, clubs/halls, commercial buildings, courthouses/jails, houses, military sites, museums, train stations/depots, schools, etc.
- **Heritage Fund Trails Grants** (Up to \$500,000 in grant money available annually)
  - Supports the acquisition and development of nonmotorized trails within the State Trails System.

Now is the time to reconsider bringing back Heritage Fund grant awards, as the state is looking for economic development strategies to pull Arizona out of a sluggish economic recovery. How are these funds linked to economic development?

## **The Value of Historic Preservation**

Note: Despite the fact that the points below focus on economics, it should be noted that historic preservation and parks are valuable beyond dollars spent, saved or generated, especially in quality of life considerations, which, although hard to quantify, are nonetheless important to citizens.

Historic preservation (HP) promotes economic development through:

- **Job creation** (for construction, renovations, etc.)



- **HP creates more jobs**, typically, than same amount of new construction because more of the cost of the project goes toward labor (see Appendix A). When labor is hired locally, money stays in community, whereas money paid for new materials is more likely to be spent outside of the community.
- **Local economy stimulator** – local labor may be more likely to buy materials locally as well, and as we know from the Economic Impact Study of Heritage Fund Grants conducted by Northern Arizona University, money spent in the county results in larger economic impacts and less leakage (AHRRC, 2011). Also regional materials may be more likely to be used both in original design, and in renovations.
- **Cost effectiveness** of rehabilitating older buildings as opposed to consistently building new ones
  - ✦ Although individual projects vary substantially, it may be less expensive to rehabilitate a historic building, especially if a complete renovation is not required, and when taking into account the cost of demolition. Projects of varying complexity and scope can continue to take place, even during economic downturns.
- **Creates heritage tourism**/place-based tourism possible by providing unique places that serve to tell the story of a community/town, etc.
  - What do visitors come to see?
  - The National Trust defines cultural heritage tourism as traveling to experience the places, artifacts and activities that authentically represent the stories and people of the past and present. It includes cultural, historic and natural resources. \*
  - For heritage tourism to be successful it must be authentic, it must be unique (what makes a place different from all other places?), it must be communal – both in vision and cooperation.
  - Have more education and income than other travelers on average, stay longer and spend more money than other travelers (Andereck & Ng, 2006; National Trust for Historic Preservation, n.d.).
  - Benefits of heritage tourism include: 1) creates jobs & businesses, 2) increases tax revenues, 3) diversifies local economies, 4) creates opportunities for partnerships, 5) attracts visitors interested in history and preservation, 6) increases historic attraction revenues, 7) preserves local traditions and culture, generates local investment in historic resources, 8) builds community pride in heritage, and 9) increases awareness of a site or area's significance. (National Trust for Historic Preservation, n.d.).

- Records indicate that from 1991-2006, 11 museum projects were funded by Heritage Fund Historic Preservation Grants, 7 theater projects and 26 archaeology projects (Strang, 2007). These are just the projects which are easily designated as tourist destinations due to their type. A more thorough examination of grant awards would have to be conducted to come up with a complete list of such projects.
- **Revitalization of historic areas** – Main Street program – creates new jobs, businesses, reduces blight, etc.
- **Property values**

Direct and indirect economic impacts of historic preservation (as identified by the Advisory Council on Historic Preservation) which produce community benefits, such as:

- 1) new businesses formed, 2) private investment stimulated, 3) tourism stimulated, 4) increased property values, 5) enhanced quality of life, sense of neighborhood and community pride, 6) new jobs created, 7) compatible land-use patterns, 8) increased property and sales taxes, 9) pockets of deterioration and poverty diluted.
- Main Street program as an example.

### **Benefits of the Heritage Fund Grants specifically:**

- Records indicate that from 1991-2006, 11 museum projects were funded by Heritage Fund Historic Preservation Grants, 7 theater projects and 26 archaeology projects (Strang, 2007). These are just the projects which are easily designated as tourist destinations due to their project type, thus this list is not exhaustive.
- Heritage Fund Historic Preservation grants improved the quality, longevity and integrity of the proposed projects.
  - Projects were required to meet the Secretary of Interior's Standards for the Treatment of Historic Properties: Standard's for Rehabilitation.
  - Applicants were required to do pre-project documentation which resulted in a more comprehensive understanding of the property and a more complete project plan. This has since become a standard in the field.
- Heritage Fund grants built community capacity to oversee historic preservation projects.
- Many archaeological sites were acquired using Heritage Fund monies, which saved some notable sites for educational benefit of current and future generations. These funds provided better protection for archaeological sites from vandalism and destruction.



- One of the benefits of having these funds administered by the state is that this allows a more local perspective and a more comprehensive understanding of the needs of the project than if federally administered.

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## The Value of Parks and Open Space for Communities

Parks & recreation facilities as economic development tools:

- Attractions (related to arts, heritage places, parks, recreation, arenas and other sites) and subsequent services (e.g., restaurants, gas stations, hotels, etc.) within a community attract people from outside the community, and encourage the spending of tourist dollars within the community (Crompton, 2007).
- Attract businesses whose workforces choose whether to take a job or not on quality of life issues (including cultural heritage, open space, outdoor recreation opportunities, etc.)
- Attract retirees who visit the state for prolonged periods, have a 2<sup>nd</sup> household here, or move here.
- Higher property values for houses closer to open space, parks, and public lands.

Benefits associated with the alleviation of social problems:

- Public spaces increase community cohesion and decrease social exclusion which may result in marginalization and antisocial behavior.

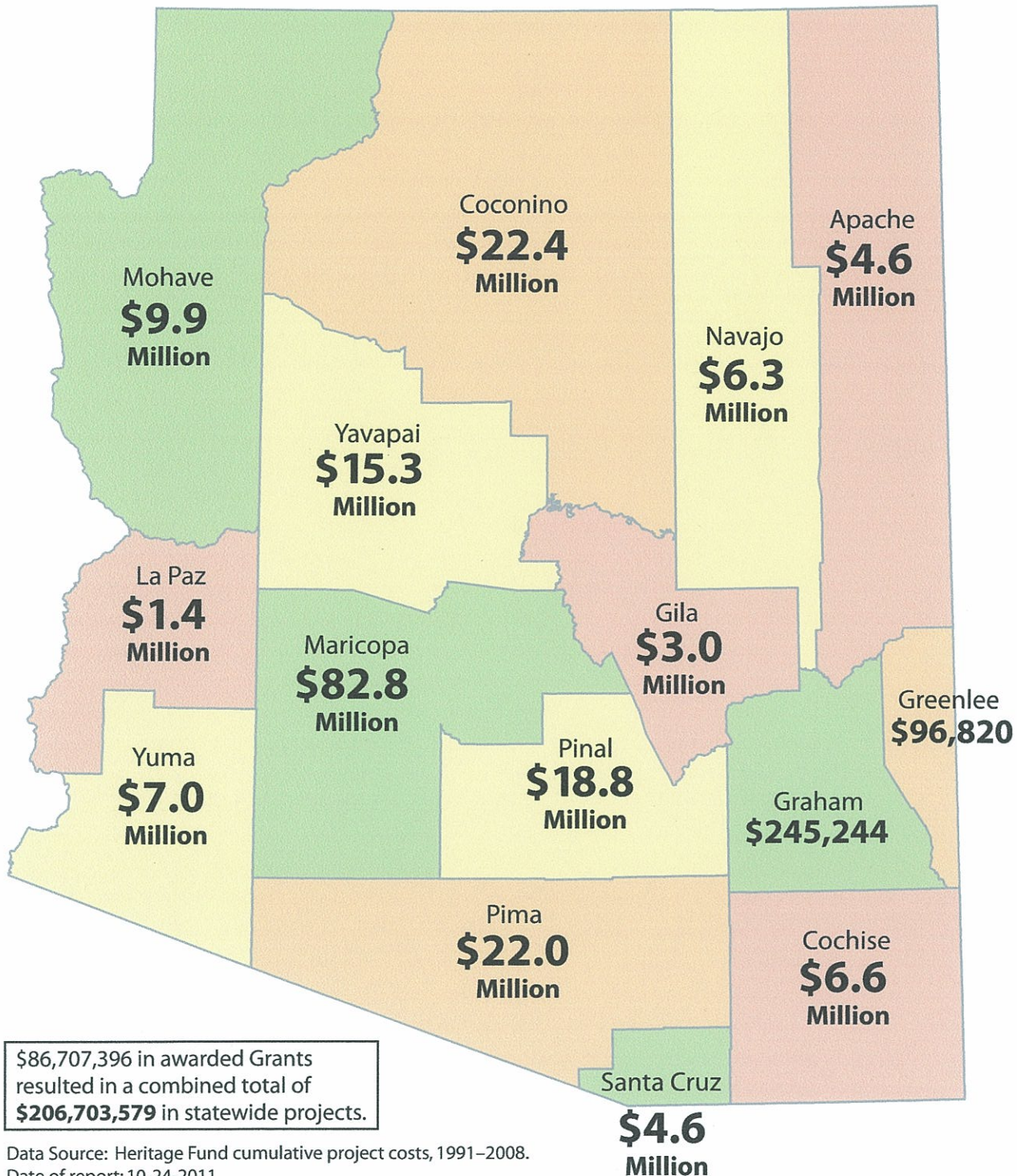
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# AZ Heritage Fund Grant Project Totals by County

Combined total of Heritage Fund Grant awards and matching funds since 1991 by county. Grants include Local, Regional and State Parks Grants (LRSP), Historic Preservation Grants (HP) & Trails Grants. All of these programs were administered by Arizona State Parks.



**Passing an Initiative  
is only the First Step:  
The Background &  
History of the 1990  
Arizona Heritage  
Fund Initiative**

**Arizona Heritage  
Alliance**

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## THE ARIZONA HERITAGE FUND INITIATIVE

The Arizona Heritage Fund Initiative passed in November 1990 by an almost two to one vote. Almost all other ballot issues, including an education initiative, were defeated. The Heritage Fund Initiative allocates \$20 million in lottery proceeds annually to the Arizona Game and Fish Department and to Arizona State Parks. Each year AGFD has \$6M for habitat protection (\$2.5M of this must go for the acquisition of habitat for threatened and endangered species); \$1.5M for habitat evaluation; \$.5 for environmental education; \$1.5M for urban wildlife programs; and \$.5 for public access. State Parks has \$.5M for trails; \$3.5M for regional and local parks; \$1.7M for historic preservation; \$1.7M for state parks; \$1.7M for natural areas; \$.4M for natural areas maintenance; and \$.5M for environmental education.

### Background

State funding for parks, conservation and other natural and cultural resource protection programs had always been dismal in Arizona. Overall, our state parks system ranked 49th in the nation and the State Parks natural areas program had never received a dime for acquisition. Funding for nongame programs in the Game and Fish Department depended solely on a nongame checkoff on state income tax returns which brought in about \$250,000/year. The need for funding was documented by the State Comprehensive Outdoor Recreation Plan (SCORP) and by several Game and Fish Department studies. The Legislature had an ongoing record of inaction and antipathy toward natural resources protection in spite of the fact that several polls indicated substantial public support.

The Nature Conservancy began looking at various ways to increase funding for State conservation programs in the spring of 1989, researching different administrative and tax alternatives. The general structure of the Fund -- the various percentages and the decision to administer the Fund through the two existing agencies -- was made at a retreat in August 1989. Chris Potholm did a poll for the Conservancy (\$13,000) in the fall which showed support for the concepts, a willingness to pay and singled out the lottery as the best possible method.

A meeting, dubbed the "Old Sages Meeting", was held in October with political strategists and supportive legislators. Whether to go straight for an initiative or to try first with the Legislature was debated. There were pros and cons but with the strong public support, the bleak outlook at the Legislature, and the idea of the being "An Earth Day Initiative", we decided to move ahead with an initiative despite the risk to the Conservancy, and the fact that it would be a real step backward for conservation if it was defeated.



## Putting the Initiative and the Team Together

This proved to be the most difficult part. (No, maybe fundraising was worse!) Drafting the initiative was a meticulous process. We depended on the volunteer efforts of several attorneys and help from friends at the Joint Legislative Budget Committee (JLBC). The Executive Committee was small, made up predominately of representatives of the various interests within the Heritage programs. We had only one member from the corporate community. Start up funds from The Nature Conservancy were essential in order to hire a political consultant, coordinator and establish an office and phone. The only other early funding came from the Arizona Parks and Recreation Association.

## Finding the Money

Fundraising was definitely not one of our strong points. We never had a formal fundraising strategy or committee. We raised about \$128,781 overall. A rough breakdown shows:

Organizations: Approximately \$60,000. Major donations include:

Parklands Foundation	\$20,000
Archaeological Society	700
Wildlife Society	3,750
Trust for Public Lands	5,000
Big Horn Sheep Society	500
APRA	6,880
Chaparral Sportsmen	500
Ducks Unlimited	3,000
Earth Day proceeds	2,500
TNC	18,000

Corporations: Approximately \$42,000 Major donations include:

Arizona Public Service	\$10,000
ENSCO	10,000
ARCO	5,000
Anheuser Busch	1,000
Arizona Republic	1,000
Capin Mercantile	1,000
Del Webb	1,000
Hensley Corp	500
Phelps Dodge	2,500

Individuals: Approximately \$12,000

Our best fundraising was done through individual efforts. However, we mailed out 11 different appeals: from our honorary chairs to corporations and national groups; from Parks Board and Game and Fish commission chairs to constituents; from an outdoor celebrity to outfitters; and from elected officials to PACs and developers. The Nature Conservancy and APRA mailed to all members. Most of the cost of mailings was donated or absorbed by the organizations. Approximately, \$15,000 was raised this way but often it was because of personal follow up.



These figures do not include money spent outside of the official campaign. This includes polling, my staff time, major mailing costs, etc.

### **Getting the Initiative on the Ballot**

Our strategy was to retain control of the process but to involve as many diverse organizations and supporters from around the state as possible. We wished to be nonpartisan and establishment oriented. The broad array of interests served and programs to be funded by the Heritage Fund helped in this regard. The Nature Conservancy's contacts with leading citizens in Arizona was also critical. Due to a lack of funds, we needed to depend on volunteers for a big chunk of our signatures, but since we were late starting, we knew we would eventually have to use paid circulators. We contracted with a political consultant, Roots Development, in late February and Roots hired Joan Welty to work full time on the initiative. We had an office at Roots Development with computer, phone and office supplies provided. Rick DeGraw of Roots also provided invaluable help on the technicalities and legalities of petition drives, many contacts and his political advice. During the petition drive we also had a part time coordinator (who worked full time!) in Tucson. I supervised the operations, and coordinated with the executive committee and all the various components of the organization.

### **The Alliance**

We made it easy to become an Alliance member - no quotas for signatures or donations. Over 100 environmental, recreation, sportsmen, cultural and historic preservation and education groups joined. The Alliance was assembled through word of mouth, cold calls and informational meetings in Phoenix, Tucson and Flagstaff. The Alliance played two key roles: a) they got the word out to their members and hundreds of other Arizonans and b) the complete list of Alliance members was used to demonstrate to the media, civic leaders and the public the broad-based support the Heritage Fund enjoyed. We also sought out support from cities and small rural communities who we felt would be important allies.

We worked hard to get our honorary co-chairs, Bruce Babbitt, Mo Udall and especially Barry Goldwater, because he fared so well on our poll. This gave great credibility to the effort.

### **Petitions**

The petition drive began the first week in March. 86,699 valid signatures were required to be submitted by July 5, 1990. Our goal was at least 120,000 as a buffer. (All initiatives had a large number of invalid signatures due to changes in precincts and election lists. We needed the buffer.) For the first two months petitions were circulated entirely by volunteers. We attempted to track the petitions by numbering and recording them, but eventually found them difficult to trace. They went to



Alliance organizations, and a core group of individual circulators. Signatures were gathered at fairs, concerts, and especially Earth Day events. Individuals were successful at libraries, shopping centers, etc.

We had a major problem with petitions going out and not coming in. We continually had to print more which was expensive. By the first week in May, we had less than 30,000 signatures and therefore launched our paid circulator campaign. 150 circulators were hired in Phoenix and 75 in Tucson. They received \$.50 per signature. They were hired through newspaper ads. Many of these circulators were experienced in gathering signatures, and were extremely successful. As a result, we filed early with 139,000 signatures. This gave us a #1 spot in the listing of initiatives on the ballot.

Throughout the signature gathering phase, we depended upon volunteers who worked in the office daily, counting signatures, notarizing, and checking for errors.

Below is a breakdown of the signatures that we turned in. It accounts for only 130,000 because on the day of filing almost 10,000 additional signatures were turned in by volunteers.

Number of signatures - urban vs. rural:

Maricopa County (Metropolitan Phoenix)	78,117
Pima County (Tucson)	40,169
Rest of the State	11,757

Paid vs. Volunteer Signatures:

Metropolitan Phoenix	52,928 paid signatures - \$28,764
Tucson	29,192 paid signatures - \$14,858
Total	82,120 paid signatures - \$43,622

Total signatures gathered:

Paid:	82,120
Volunteer (approx.):	57,880
Total	140,000

#### Media and PR

We spent very little on PR materials. Our logo was put together at Alpha Graphics for \$5.00 after we had a ridiculous bid from a professional. We depended on a straight forward fact sheet for information. Our main thrust was to contact friendly reporters and slowly build support in the newspapers. We also had several very successful news conferences. The announcement of the initiative was made by Bruce Babbitt and the mayor of Scottsdale in the Phoenix area. Tucson had a press conference of its own. This took place on March 15th. Later in May, we had a press conference at Barry Goldwater's house that was very well attended



by the media and received excellent coverage. It was a real high point. We attempted a big show with kids and wagons full of petitions when we submitted our petitions. However, it was 122 degrees that day, so we were not very newsworthy. We had some good editorials during the petition phase, although the largest newspaper in the state, the Arizona Republic, was cool.

### Expenses

We do not have an exact breakdown for the petition drive. However, my best estimate is:

Paid circulators:	\$43,622
Office, political consultant, one and a half staff (5 mo.)	\$16,500
Printing	\$10,000
Telephone, mail	1,000

Donated services included my time, most mailings, some printing. These figures do not include the poll.

### Getting the Initiative passed by the Voters

#### Strategy

After the signatures were submitted, most thought the vote would be a "slam dunk". With it's popularity and not much money, our strategy was:

- 1) keep a low profile until right before the election.
- 2) reinforce the nonpartisan, broad benefits nature of the Heritage Fund.
- 3) keep the momentum going with our positive message -- make us unassailable. Avoid debating the issues.
- 3) work closely with the media to ensure their support, pointing out the economic development aspects of the Heritage Fund.

#### Campaign Committee

Along with the Alliance and honorary co-chairs, we assembled a large and varied campaign committee that included a number of elected officials and political interests.

#### Publicity Pamphlet

The Secretary of State's office publishes a publicity pamphlet, giving information on the initiatives, that is distributed to the public at the primary. (\$100 per submission) The Heritage Fund office coordinated and/or wrote most of the arguments in favor of the Heritage Fund. Each argument featured a different aspect (environment, recreation, economic development, etc.) and was signed by one or more interested parties (honorary co-chairs, mayors, educators, etc.). The only "con" argument was from the Arizona Tax Research Association, opposing the Heritage Fund primarily on the basis of earmarking.



## Alliance Activities

Sample articles were drafted for the Alliance. Articles differed depending upon whether the organization was environmental, educational, archaeological, etc. The organization was urged to print the article in a newsletter close to election time. Sample "letters to the Editor" were sent to volunteers and organizations. These ideas both worked well. We also sent them flyers to duplicate and post and brochures to circulate. Inexpensive and worthwhile. A telephone tree was activated just prior to the election. Alliance organizations were asked to alert members to vote "yes" and to call 10 friends to remind them as well. We also used palm cards to pass out at polling places on election day. This has been successful other places, but we felt it was a lot of work to line people up and probably did not make much difference in the outcome.

## Media

We made a big effort with editorial boards. We had fact sheets, an economic development paper, answers to the difficult questions that we used, plus a lot of personal contact. This paid off with only one major paper opposing the Heritage Fund. (This is still paying off for us. We have excellent relations with the media.) We avoided talk shows and participated in debates only when asked.

## Paid Advertising

Local polls in the early fall showed about 87% support for the Heritage Fund. This was true of other initiatives that ultimately failed. TNC did a tracking poll for us that showed declining support among tax conservatives and older Republicans (an early warning system to jar one out of complacency!) We knew we could not sit back. Our political consultants all said we did not have the money to do a TV campaign and suggested direct mailings and radio. However, Carol Baudler was strong on the visual message and we pushed ahead with TV. We used film footage from the Game and Fish Department (available to the public for a nominal charge), a pro bona ad agency (not working on political campaigns) and found that, for not too exorbitant a sum using cable and key news spots, we could get our message out. Our ad cost \$2000 to produce and we spent \$26,533 to buy air time. This was a bargain and definitely worthwhile. The only other paid advertising was for ads in Arizona Senior World (\$1200), the Capitol Times (\$100), and Arizona State University's State Press (\$100). We did no direct mailing and no radio.

## Keys to Success

polling and research  
early financial support from TNC  
staff support from TNC (Carol Baudler)  
broad based nonpartisan support  
dynamite honorary co-chairs

media support  
positive message  
diffusing opposition  
use of lottery (non-tax)



## Passing an Initiative is only the First Step

"The problems of victory are more agreeable than those of defeat, but they are no less difficult."

Winston Churchill

The Heritage Fund has not had smooth sailing since it passed. Severe budgetary problems in Arizona led us to agree to pro rate the first year's funding. An initiative can be changed by the Legislature, so although the Legislature does not appropriate the money for the Heritage Fund, it can change the assigned proportions or cut funding. This has been attempted several times. The most ominous threat to the fund has just recently occurred. A late bill, proposed by the Speaker of the House and the Majority Leader, with 20 additional signers, would half the Heritage Fund giving \$10M each year to "at risk" children. It also would disallow the agencies from acquiring land with Heritage monies.

This underscores the need for looking beyond election day. In Arizona, we have found that our grassroots organizing has paid off. Although our formal organization is not what we would like, we were able to mount a quick and significant response to this latest assault due to our past statewide contacts and our good press relations.

### The New Arizona Heritage Alliance

The Arizona Heritage Alliance has recently reformed. It is a new organization with many of the old participants. We have a new logo, and have applied for 501(c)(3) status. The Alliance had a reception sponsored by Arizona Public Service and REI (recreational outfitter) in February. Our hopes are to serve as a legislative watchdog and, maybe as importantly in the long run, to monitor and critique what the agencies are doing in their Heritage Fund programs. We plan to hire an executive director this spring. In the long term, the Alliance also sees itself as a communicator among the broad array of interests supporting the Heritage Fund and as a place where new ideas and discussion can be generated.

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