

Business leaders worry Arizona's immigration bill may keep tourists, employers away

by Dawn Gilbertson and Betty Beard - Apr. 22, 2010 12:00 AM
The Arizona Republic

Tourism and economic-development officials worry about potential financial fallout from Arizona's landmark immigration bill, with several drawing parallels to the costly business backlash after the state's rescission of a paid holiday honoring Martin Luther King Jr. more than 20 years ago.

One Arizona congressman called for a national convention boycott of the state unless Gov. Jan Brewer vetoes the bill, the strongest reaction to date on an issue many businesses acknowledge they are just beginning to study.

Several key organizations, including the Arizona Office of Tourism and the Greater Phoenix Economic Council, have so far remained silent, at least publicly, on the political hot potato.

The wide-ranging illegal-immigration measure, approved by the state Senate on Monday and awaiting a decision by Brewer by Saturday, makes it a state crime to be in the country illegally and would require police and other law-enforcement officers to check the immigration status of people they reasonably suspect are in the country illegally.

News about the immigration legislation has been garnering national headlines, some not so flattering to the state's image.

A New York Times editorial said the state has gone off the "deep end" of the immigration

debate and called the legislation harsh and mean-spirited. A Los Angeles Times editorial was titled "A Hostile Arizona."

Tourism worries

Tourism executives say the bill doesn't help their cause in luring business and leisure travelers, and their dollars, to the state.

"I don't see anything good for tourism in this," said Bruce Lange, managing director of the Westin Kierland Resort and Spa and former chairman of the Valley Hotel & Resort Association.

"It's just one of those issues that makes people uncomfortable. When people get uncomfortable, it's a lot easier to say, 'I don't want to go there,' " he added.

Diane Enos, president of the Salt River Pima-Maricopa Indian Community, which last week opened the 400-room Talking Stick Resort and casino east of Scottsdale, said the bill is not good for Arizona.

"It does not put our best face forward to visitors, particularly to international travelers," she said in a statement.

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Tourism is big business in Arizona, with visitors spending \$18.5 billion and directly supporting 167,000 jobs in 2008, the most recent year for which statistics were available. Of the 37.4 million overnight visitors that year, 3.8 million came from Mexico, the largest source of international visitors, according to the Arizona Office of Tourism.

Lange said the Westin Kierland has not fielded any questions about the [immigration](#) measure. But others have received calls, according to Laura McMurchie, spokeswoman for the Scottsdale Convention and Visitors Bureau.

Economic concerns

Beyond the potential effects on tourism, there is some concern businesses might steer clear of Arizona or move. Others say the effects of the bill would be nonexistent on economic development.

Jack Boyd, a Princeton, N.J., consultant who helps companies look for sites for their operations and offices, said the anti-immigration bill could tip businesses away from locating in Arizona. He said Senate Bill 1070 is "definitely on the minds of our clients."

Those that are particularly sensitive to the issue are food processors and [manufacturing companies](#) that often hire Hispanic employees and don't want to stress over checking their citizenship papers and facing the prospects of penalties, Boyd said.

"There is concern among manufacturers, especially food processors, that this (passage of the law) could lead to some plant

closings."

The immigration legislation, when coupled with the 2008 employer-sanctions law that makes it illegal to knowingly hire [undocumented workers](#), could be a "game changer" and tip companies away from the state, he said.

"Arizona has enough challenges right now. I don't project this to be a decision driver one way or other, but clearly it's a negative," Boyd said.

The Arizona Hispanic Chamber of Commerce, which has asked Brewer to veto the bill, believes the law could discourage economic development, especially in conjunction with the employer-sanctions law.

The chamber has almost 400 business members and almost 30 large corporate sponsors.

The chamber is concerned that the bill makes Arizona look like it's not a good place to live or work, as if Arizonans are under siege from undocumented immigrants, spokesman James Garcia said.

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The Arizona Chamber of Commerce and Industry is neutral on the measure because it and other business groups worked with legislators to make sure it would not be overly burdensome, spokesman Garrick Taylor said.

Some of the changes it got knocked out had to do with law-enforcement subpoena power, requirements that businesses have to maintain certain records and language regarding entrapment. The final result, Taylor said, is a bill "that is not overly harmful to job creation and wouldn't create new bureaucratic hurdles for businesses."

Boycott talk

U.S. Rep Raul Grijalva, a Democrat who represents southern Arizona's Congressional District 7, on Tuesday called for a convention boycott of his own state. In a statement, he said the National Football League's pulling of the Super Bowl after the state refused to recognize Martin Luther King Jr. day was effective in changing the state's policy.

That uproar began in 1987, when then-Gov. Evan Mecham rescinded former Gov. Bruce Babbitt's order creating a paid state holiday for the slain civil-rights leader.

Mecham said it was created illegally and called for a voter referendum. Within a few months, nearly \$1 million in convention business was lost. The figure was up to \$4.6 million a couple of months later, including the cancellation of three large conventions.

Voters failed to pass a state holiday in 1990, resulting in more headlines and cancellations. In 1991, the NFL pulled the

1993 Super Bowl from metropolitan Phoenix.

Gene Blue, the chairman of the Arizona Martin Luther King Jr. Celebration Committee, said at the time, "I don't know if 'embarrassing' is descriptive enough for this controversy. You can't travel anywhere in the country or even overseas without finding people who are aware of Arizona but for the wrong reasons."

Voters approved the paid holiday in 1992, and Tempe was awarded the 1996 Super Bowl.

Tourism officials estimated Phoenix alone lost almost 170 conventions and an estimated \$300 million in benefits from the controversy.

On the convention front, Phoenix is a finalist for the Republican National Convention and is preparing a bid for the 2012 Democratic National Convention. The city is also scheduled to host the Major League Baseball All-Star Game in 2011.

"This bill will be rejected by the courts, and in the meantime, Arizonans will be subjected to unnecessary indignity at the hands of a

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racist law," Grijalva said in his statement.

The Hispanic chamber is not supporting Grijalva's call.

Garcia said, "The chamber's position is that unless it's an organization that promotes discrimination or had some abhorrent quality about it, there is no reason we should tell anyone whether they can come to the state of Arizona to hold a convention."

Elliott Pollack, an economist and real-estate investor, isn't as concerned on the tourism front.

"If you take a look at the history of Arizona, you have these events that tend to piss factions of society off, everything from the Martin Luther King fiasco to AzScam (1991 political corruption scandal involving legislators) to Charles Keating," he said.

"And the reaction by some groups is 'All right, that's it. We are going to boycott Arizona.' I tend to think those things have been short-lived, at least historically they have been."

Republic reporter Peter Corbett contributed to this article.

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