

GROWING AND STRENGTHENING ARIZONA'S ECONOMY

The ACA has a targeted strategy to improve Arizona's economy by facilitating quality job creation through business:

- Attraction
- Expansion
- Creation

Develop

Collaborate with public and private organizations to develop and implement strategic plans, partnerships, programs, incentives and services.

Deliver

Deliver programs, services and incentives to companies and projects to facilitate quality job creation.

Engage

Partner with various stakeholder groups to advance a single, collaborative state-wide brand, increase awareness of Arizona's advantages and assets, and spark opportunity for development and realization.

FOUNDATION

Establish programs that provide the economic development foundation for Attraction, Expansion and Creation.

CREATION

Help create and nurture high growth, technology-oriented companies.

ATTRACTION

Attract new companies and investments to the state.

EXPANSION

Help grow and retain business in the state.



Job Creation



Capital Investment



Increase Average Wages

Work with companies to facilitate the creation of **75,000** projected higher-wage direct jobs through Expansion, Attraction and Creation efforts.

Target **\$6 billion** in private capital investment to generate state and local tax revenues and catalyze job creation.

Focus Attraction, Expansion and Creation efforts on high-value jobs, which are jobs that pay average wages of at least **150%** of the state median wage, increasing to **175%** over time. Two-thirds of the 75,000 jobs over five years will be high-value jobs.

5-Year Goals (FY13 - FY17)

ACA'S FISCAL YEAR 2016 HIGHLIGHTS – 1,947 COMPANY ENGAGEMENTS

ATTRACTION

288 opportunities

FY15		FY16 ¹
107	Early Stage	183
52	Late Stage	61
43	Closed/Won ¹	44

The Attraction team engaged 288 overall opportunities, including a significantly increased number of rural opportunities.

	Targeted Industries ²	Rural ²
→ Projected New Jobs	9,150	791
→ Capital Investment	\$420.4M	\$89.6M
→ Wages	\$51,569	\$49,740

¹Closed/Won opportunities are client projects that conclude with a successful location or expansion decision. These 44 closed/won opportunities are included within the total projected new jobs, capital investment and wages shown under The ACA's Fiscal Year 2016 Results.
²The figures in the Targeted Industries and Rural columns represent the projected new jobs, capital investment and wages associated with the subset of closed/won opportunities that occurred in Targeted Industries or Rural areas.

EXPANSION

312 opportunities

FY15		FY16 ¹
243	Actively Engaged	251
84	Closed/Won ¹	61

The Expansion team engaged 312 overall opportunities, including a significantly increased number of rural opportunities.

	Targeted Industries ²	Rural ²
→ Projected New Jobs	4,009	53
→ Capital Investment	\$222.9M	\$13.3M
→ Wages	\$50,773	\$28,883

¹Closed/Won opportunities are client projects that conclude with a successful location or expansion decision. These 61 closed/won opportunities constitute the total projected new jobs, capital investment and wages shown under The ACA's Fiscal Year 2016 Results.
²The figures in the Targeted Industries and Rural columns represent the projected new jobs, capital investment and wages associated with the subset of closed/won opportunities that occurred in Targeted Industries or Rural areas.

CREATION

383 applications from Arizona companies

FY15		FY16
446	Applications	383
69	Awards	129

A total of 129 companies received financial and/or technical assistance through the ACA's creation programs: the Arizona Innovation Challenge (AIC), AZ Fast and Small Business Innovation Research (SBIR). The biannual AIC, for example, awards \$3M per year to advance innovation and technology commercialization opportunities in Arizona. Companies applying to creation programs (383) become the ACA's "pipeline" for future ACA service and consultation opportunities outside of creation program parameters.

FINANCIAL PROGRAMS

964 new incentive applications and reports

FY15		FY16
280	Pending	67
155	Under Review	55
857	Reviewed	909
716	Active	636

The Financial Programs team administered 964 new applications and reports.

	Number of Assisted Companies	Amount of Assistance
→ Tax Credits and Abatements ¹	129	\$11.0M
→ Grants ²	119	\$15.9M
→ Loans ³	15	\$ 5.7M
→ Bonds ⁴	5	\$99.3M
TOTAL	268	

¹Reflects tax credits, property tax reductions and sales and use tax exemptions approved under the Angel Investment, Computer Data Center, Healthy Forests, Military Reuse Zone, Qualified Facility, Quality Jobs, R&D, Renewable Energy Tax Incentives and Commercial Solar programs. Amounts are estimates based on approvals and do not reflect amounts actually claimed or legacy programs no longer open to new applicants.
²Grants approved under the Arizona Competes, Job Training and Rural Economic Development Grant programs. Does not include Arizona Innovation Challenge, FAST or STEP grant programs. Dollar amounts shown are the amounts approved and do not reflect the amounts paid. Grants are paid over time upon achievement of performance milestones.
³Loans made under the AIAF program.
⁴Bond capacity allocated (closed) under the Private Activity Bonds program.

FOUNDATION

statewide, long-term economic development initiatives, including:

ACA 2.0 Governor Ducey announced the implementation of his vision for economic development in Arizona through ACA 2.0 and the creation of the Governor's Office of Economic Opportunity (GEOO). GEOO will serve as an analytics and strategy team supporting the ACA by continually monitoring how Arizona stacks up against other states and providing real time data to policy makers and government.

Visiting CEO Forums The ACA, Governor Ducey and the Arizona Zanjeros hosted three highly successful Visiting CEO Forum Programs – the NCAA College Football National Championship, the Waste Management Phoenix Open and Cactus League Spring Training. The CEO Forums provide an opportunity to connect directly with decision makers who are considering Arizona. Collectively, the programs resulted in nine project wins for Arizona.

Arizona-Sonora Megaregion Promotion The ACA continued efforts to strengthen the state's relationship with Mexico. As a part of this effort, the ACA entered into an agreement to work collaboratively with the State of Sonora, Mexico and to leverage the combined resources of the two neighbor states. Arizona and Sonora will focus on marketing the attractiveness of the Arizona-Sonora megaregion.

Aerospace and Defense Supply Chain Database The ACA and the Arizona Zanjeros aerospace and defense industry sub-committee launched a comprehensive database designed to connect aerospace and defense companies with Arizona-based suppliers. The database contains detailed profiles of more than 1,250 companies with a presence in Arizona, and allows users to search by industry, size, certifications and products and services offered.

ACA'S FISCAL YEAR 2016 RESULTS

All figures represent three-year projections

	1Q	2Q	3Q	4Q	FY16 Goal	FY16 ACTUAL
Projected New Jobs¹	3,033	3,184	5,331	6,081	17,000	17,629
Projected Capital Investment²	\$121.8M	\$147.7M	\$293.0M	\$358.2M	\$1.3B	\$920.8M
Projected Wages³	\$44,185	\$50,147	\$56,727	\$49,255	\$55,145	\$50,803

¹ Figures in this section represent direct jobs; ² Figures in this section represent direct capital investment; quarterly totals rounded to nearest hundredth thousandth; ³ Figures in this section represent average wages

CUMULATIVE RESULTS TOWARDS GOALS

	Projected Jobs	Projected Capital Investment
ACA 4-YR Performance	67,659	\$7.0B
ACA 5-YR Goal	75,000	\$6.0B

The five-year goals assumed cumulative projected job creation of 57,000 and cumulative projected capital investment of \$4.6 billion during the initial four years. These projections have been exceeded by the ACA by more than 118% and 150%, respectively.

ECONOMIC IMPACT OF ACA PERFORMANCE

	Direct, Indirect and Induced Jobs ²	Economic Output	Tax Revenue
FY13-15	112,905	\$58.93B	\$1.69B
FY16	38,392	\$27.11B	\$0.59B
TOTAL	151,297	\$86.04B	\$2.28B

¹ Analysis performed by Elliott D. Pollack & Co. based on ACA input; ² Includes temporary jobs created by construction