

ANNUAL REPORT

FISCAL YEAR 2017



MISSION

The mission of the Arizona Commerce Authority is to grow and strengthen Arizona's economy and facilitate the creation of quality jobs for its citizens by supporting and attracting businesses in targeted, high-value base sectors throughout the State.



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FROM THE PRESIDENT AND CEO



When I sat down to write this letter, one theme was top of mind: opportunity.

Opportunity for all has been a central theme of Governor Ducey's vision for Arizona. Under his leadership, the Arizona Commerce Authority (ACA) is proud to collaborate with businesses, community leaders, lawmakers, educators and economic development partners across the state to advance this vision.

In Fiscal Year 2017, the ACA worked with companies who committed to creating 19,473 projected new jobs with an average wage of \$59,202, exceeding our goal of 18,000 with an average wage of \$56,850. These companies will invest a significant \$2.5 billion into our communities. As a result, Arizona received the Gold Shovel Award from Area Development for being the #1 Most Competitive State in our population category, and was named #1 for Economic Competitiveness – Mountain Region in the Site Selection Prosperity Cup.

Fiscal Year 2017 was also a major milestone for the ACA, as it marked the conclusion of our first five year business plan. In 2011, H.B 2001 created a new model for economic development – designing the ACA as a public-private partnership with a highly collaborative governance structure, bringing together all three branches of state government, Arizona's top business leaders and academia.

As the results show, with significant achievement over job creation and capital investment goals, this new model has proven effective. Over the past five years, the ACA has worked with companies of all sizes – from homegrown Arizona small businesses to industry leaders - who have announced the creation of 87,132 projected new high-value jobs, 16 percent above the goal of 75,000 jobs. During the same period, company relocation and expansion projects delivered \$9.5 billion in capital investment commitments, exceeding our \$6 billion goal. Most importantly, these numbers represent new opportunities for Arizonans and their families.

While we have much to celebrate, there is still much work to be done. Under the leadership of Governor Ducey and the ACA Board of Directors, we will continue pursuing our mission to help businesses succeed and increase Arizona's economic growth.

My best,

A handwritten signature in black ink that reads "S. Watson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sandra Watson

Arizona Commerce Authority President and CEO

BOARD OF DIRECTORS

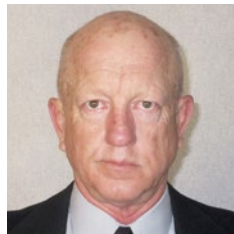
The ACA is guided by a Board of Directors, led by Governor Doug Ducey as Chairman. The Board represents an incredible collection of subject matter expertise combined with business and policy experience, all leveraged to advance the ACA's mission to strengthen the state's overall economy.



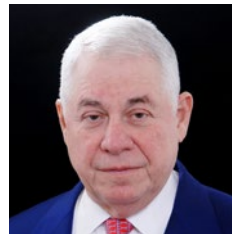
Governor Doug Ducey
Chairman
Executive Committee Member



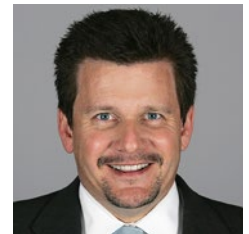
Brian Mueller
Co-Chairman
Executive Committee Member
President and CEO
Grand Canyon University



Gary Abrams
Executive Committee Member
CEO and President
Abrams Airborne
Manufacturing



Richard Adkerson
Executive Committee Member
President and CEO
Freeport McMoRan
Copper & Gold



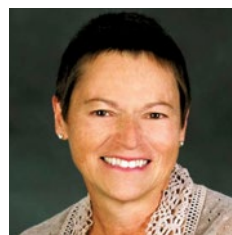
Michael Bidwill
President
Arizona Cardinals



Mark Bonsall
General Manager and CEO
Salt River Project



Drew Brown
Founder and
Chairman of the Board
DMB Associates, Inc.



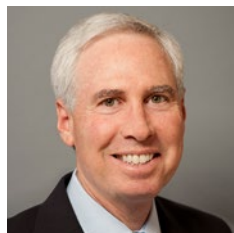
Dr. Rita Cheng
2016 Ex-Officio Member
President
Northern Arizona University



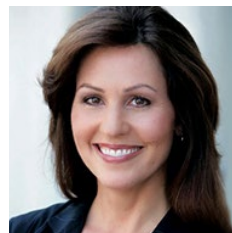
Dr. Michael Crow
2016 Ex-Officio Member
President
Arizona State University



Dr. Wyatt Decker, M.D.
Mayo Clinic
Vice President and CEO
Mayo Clinic in Arizona



David Goldstein
President
Diamond Ventures, Inc.



Dawn Grove
Chairperson
Arizona Workforce Council



Dr. Ann Hart
2016 Ex-Officio Member
President
University of Arizona



Mignonne Hollis
President and CEO
Business & Tax Analyst, LLC



John Kaites
Founding Partner
Global Security Innovative
Strategies



James Keeley
Founding Partner
Colliers International



Eileen Klein
2017 Ex-Officio Member
President
Arizona Board of Regents



Dr. Taylor Lawrence
President
Raytheon Missile Systems



Stephen Macias
President and CEO
Pivot Manufacturing



Tommie Martin
Chairperson
County Supervisors
Association of Arizona



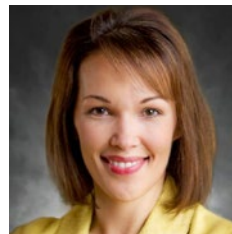
**Honorable Speaker
J. D. Mesnard**
2017 Ex-Officio Member
Arizona House of
Representatives



William Pilcher
CEO
USI Insurance Services, LLC



Donald Slager
President and CEO
Republic Services, Inc.



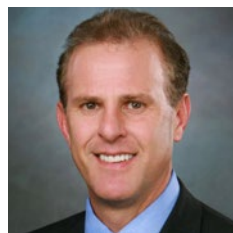
Kimberly Smith
Vice President
Attack Helicopter Programs
The Boeing Company



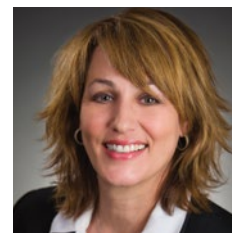
Victor Smith
President and Owner
JV Farms



Dr. Jean Swarthout
Chairperson
Arizona Community College
President's Council



Honorable Jay Tibshraeny
President
League of Arizona
Cities and Towns



Sandra Watson
Executive Committee Member
President and CEO
Arizona Commerce Authority



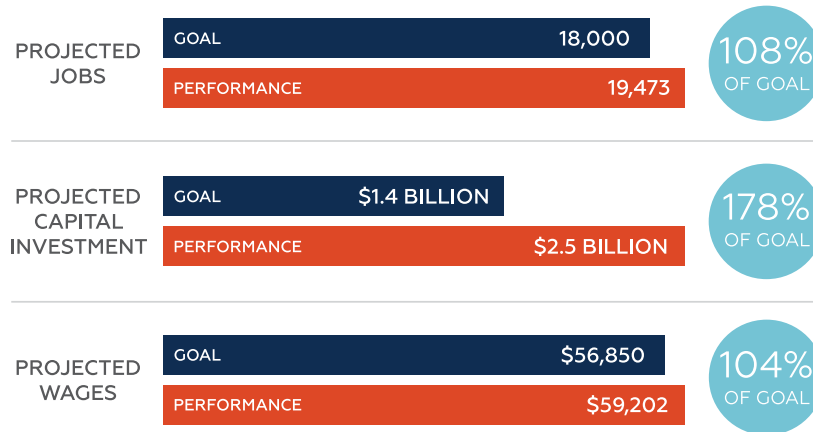
Judith Wood
2017 Ex-Officio Member
President
Contact One Call Center



**Honorable President
Steve Yarbrough**
2017 Ex-Officio Member
Arizona Senate

EXECUTIVE SUMMARY

FY 2017 ANNUAL RESULTS



FY 2017 HIGHLIGHTS

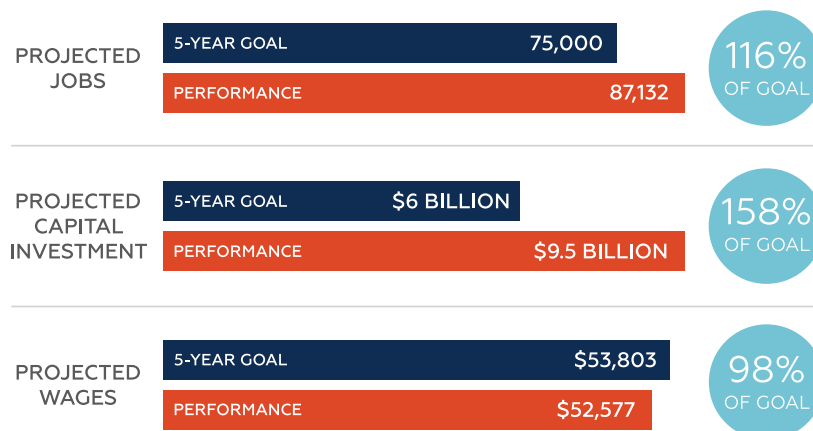
1,528 Client Engagements

48,732
DIRECT, INDIRECT
AND INDUCED JOBS

\$32.69 billion
ECONOMIC OUTPUT

\$750 million
TAX REVENUE

FY 2013-2017 RESULTS



FIRST FIVE YEAR PLAN HIGHLIGHTS

9,484 Client Engagements

200,029
DIRECT, INDIRECT
AND INDUCED JOBS

\$118.73 billion
ECONOMIC OUTPUT

\$3 billion
TAX REVENUE

BUSINESS ATTRACTION AND EXPANSION

COMPANY • 1ST QUARTER

84 Lumber
Abbott Nutrition – Casa Grande
Accelerate Diagnostics, Inc.
ADP Regional HQ – Tempe
Alliance Home Loans
Amazon.com, Inc.
Barton & Associates Inc
Bombardier – Tucson
Cavu Aerospace
CIOX Health – AZ Headquarters
Destiny Springs Healthcare, LLC
Diamond Coatings Ltd.
Galtronics USA
Global Equity Finance, Inc.
Houzz Inc.
Huhtamaki, Inc.
KPS Global – Goodyear
Leaktite Corporation
Limelight Networks, Inc.
Lucid Motors
Medline Industries – Tolleson
Midori Services, Inc.
NRG Renew
OHL
Rogers Corporation
SK Food Group
Sogeti USA, LLC
Truckstop.com
URSA Information Systems Inc.
Vixxo
West Pharmaceutical Services – Scottsdale
Willis Towers Watson
Yodle, Inc.
Zenreach, Inc. – Scottsdale

FISCAL YEAR 2017 CLIENTS AND TOTALS

COMPANIES	102
PROJECTED NEW JOBS	19,473*
CAPITAL INVESTMENT	\$2.5B*
AVERAGE SALARIES	\$59,202*

* Three-year projections

COMPANY • 2ND QUARTER

American Express – Phoenix
Ascensus, Inc.
Comtech EF Data Corporation
DoubleDutch
Entertainment Partners
Gate6
H5 Data Centers
Hexcel – Casa Grande
John Hancock Investments – Tempe
Katerra Inc.
Kovach Inc.
LKQ Arizona Corporation
Logicalis
Mainstreet
Newpac Fibre, LLC
Orbital ATK, Inc.
Plexus Worldwide
Raytheon Missile Systems
Revature
Scientex
Torden
Varsity Tutors
Vector Space Systems
Welbrook Senior Living
Western Window Systems

COMPANY • 3RD QUARTER

Advisor Group

Almark Foods

Danby – SW Regional Center

Endurance International Group

HalfPops, Inc.

HD Petroleum

Infineon Technologies North America Corp.

Ingenu

Innovative Manufacturing Solutions (IMS)

Monsanto

Okland Construction

QuEST Global Services NA Inc

Silent-Aire USA, Inc.

Solar Junction Corporation

SunStream Technology

Union Bank, N.A.

Upgrade

Walgreen Company

COMPANY • 4TH QUARTER

Acronis

American Marksman Arizona, LLC

Bayview Asset Management – Tucson

Benchmark Electronics (HQ)

Career Education Corporation

Charles Schwab Arizona

Constant Aviation

Copper State Rubber

Crown Components, LLC

DexCom, Inc.

Ernst & Young – Seattle

Goodfellow Crushers

Greensheen Paint & Design, Inc.

Greentree Inns Hotel Management Group

Hexagon Mining

Kirin Manufacturing

Niagara Bottling, LLC

Northern Trust – Tempe

NPL Construction – Centuri

RJR Technologies, Inc.

Signs Plus, LLC

Symantec Corporation

VinoPRO

Visionary Automotive Group

Zummit Plastics

STRATEGIC INITIATIVES

During Fiscal Year 2017, the ACA advanced the following statewide, long-term economic development initiatives.

ACA 2.0 and Arizona Management System

- In August 2016, the Arizona Office of Economic Opportunity was launched. Overseen by the ACA's President and CEO, the office serves as a data analytics team supporting the ACA by continually monitoring Arizona's competitiveness and providing real time data to policy makers and government.
- Governor Ducey's vision for ACA 2.0 was fully realized in December 2016 with the co-location of the ACA, Arizona Office of Tourism, Arizona-Mexico Commission and Arizona Zanjeros into a single office location. This strategy allows the agencies responsible for marketing Arizona to collaborate more effectively and efficiently.
- The ACA adopted Governor Ducey's results-driven, intentional management system, focused on customer value and vital mission outcomes for Arizona citizens. As a part of the Economy Goal Council, the ACA is leading a Breakthrough Project in collaboration with the Arizona Office of Economic Opportunity and Arizona Department of Economic Security designed to increase workforce participation and reduce the number of unemployed persons in Arizona by 25% in two years and 50% in five years.

Arizona-Mexico Relationship

- The ACA's Mexico City office assisted 56 Arizona companies and entities looking to export to the Mexican market via a variety of export assistance tools, including market research, company-supplier matchmaking, and trade show assistance.
- Arizona and the State of Sonora continued to promote the attractiveness of the Arizona-Sonora Region, including the addition of medical device manufacturing, renewable energy and agriculture to the marketing efforts around regional industry strengths, which also include aerospace and defense, automotive manufacturing and mining.
- The ACA advanced efforts to strengthen Arizona's relationships throughout Mexico, entering into agreements to work collaboratively with the states of Sinaloa and Baja California on trade and investment initiatives.



Infrastructure

- The ACA joined the US-Mexico CEO Dialogue, a coalition of the leading firms operating in both countries, to launch the Cross Border Connected Cities (CBCC) Initiative which seeks to transform the economic vitality of the Arizona Sonora border region by utilizing technology enable infrastructure, streamlined processes and coordinated investment. As a part of this effort, the ACA hosted a CBCC Workshop in collaboration with the CEO Dialogue leadership (Deloitte and Grupo Prodensa), the Sonora Department of Economic Development and technical partners (Black & Veatch, Amazon Web Services and Hitachi). More than 80 participants convened to prioritize potential pilot projects in broadband, traffic optimization, smart energy and a Yuma Region Smart Campus. Customs and Border Protection (CBP)/Servicio de Administración Tributaria (SAT) led a discussion on innovation projects and how our region is positioned to advance a sanitized corridor concept for approved, low-risk agricultural shippers as well as facial recognition applications.
- As part of the effort to increase Public Private Partnership (P3) infrastructure projects in Arizona, the ACA hosted its second P3 Forum during Fiscal Year 2017 in collaboration with the Consulate General of Canada and the Canada Arizona Business Council. More than 120 participants attended from around the state. The forum highlighted P3 best practices across a variety of sectors including water, transportation, energy, health and education.



STRENGTHENING RURAL ARIZONA

The ACA worked with 11 companies that located or expanded in rural Arizona during Fiscal Year 2017. These companies will create **3,061** projected new jobs and nearly **\$1 billion** in projected capital investment in rural communities over the next five years.

The ACA continued to provide leadership in the rural economic development arena on such critical topics as infrastructure and economic diversification:

- In partnership with the Arizona Department of Transportation, the Town of Camp Verde and City of Show Low were awarded \$1 million for roadway infrastructure improvement that serve critical economic development projects in their areas. These improvements will serve to enhance the economic development foundation of rural Arizona.
- In addition, the ACA assisted the Navajo Nation in their establishment of the Naat'áanii Development Corporation (NDC), which is a tribally owned development company. The Mission of the NDC is to create new jobs and revenue streams for the Navajo members via real estate development, and allow them to compete for economic development projects for which they otherwise would not be considered.



\$1 Billion

IN PROJECTED CAPITAL INVESTMENT
IN RURAL COMMUNITIES

SMALL BUSINESS, ENTREPRENEURSHIP AND INNOVATION

Supporting entrepreneurs and small business owners in creating new businesses and commercializing new technologies is a core part of the ACA's three-pronged mission. The following results were achieved by the ACA's comprehensive suite of innovation programs during Fiscal Year 2017.

Arizona Innovation Challenge (AIC)

The Spring 2017 round of the AIC received 149 applications. Following three rounds of judging, six early-stage Arizona companies were awarded AIC grants:

- **Naya Energy** is a Software as a Service (SaaS) platform that provides energy analytics to commercial and industrial purchasers of power which helps them understand, manage and optimize their energy usage and cost.
- **Attribytes** is a Software as a Service (SaaS) platform for the foodservice industry which enables distributors and manufacturers to share and interact with uniform product and customer data directly from within their own inventory management systems.
- **ClickIPO** is the world's first large-scale platform allowing retail investors to participate in initial public offerings (IPOs) and secondary public offerings through a mobile interface.
- **Codelucida** develops cutting-edge error-correction technology for data storage and communication systems built on flash memory.
- **Electric Torque Machines** uses patented transverse flux technology to make lower-cost, energy-efficient, light-weight motors for a broad variety of applications like conveyor systems and fans.
- **Hydronalix** designs and sells a patented, high-tech robotic lifeguard drone called EMILY that assists maritime professionals and first responders in ocean, beach, and flood disasters.

149
FY 2017
APPLICATIONS

6
AIC GRANTS
AWARDED
IN FY 2017

Venture Ready

A total of 36 panels were conducted, and three companies successfully graduated from this rigorous program during Fiscal Year 2017:

- **RightBio Metrics**
- **HiringSolved**
- **Beacon Biomedical**

Invest Southwest

In partnership with the ACA, Invest Southwest provides year-round programming to connect investors to the most promising startups in Arizona, including its signature event, Venture Madness, a bracket-style business pitch competition. During Fiscal Year 2017, 82 Venture Madness applications from 4 states were received. The competition culminated in a two-day conference attended by 268 entrepreneurs, startups, venture capitalists, angel investors, and members of many other supporting organizations. The 2017 winners are as follows:

- Champion – **Clean Router** (Spring 2016 AIC awardee)
- 1st runner-up – **Anicell** (Spring 2016 AIC awardee)
- 2nd runner-ups – **Tellspec USA** and **ZCast**
- People’s Choice Award – **InfluenceLogic**

RevAZ Manufacturing Extension Partnership

Through 63 engagements with 48 small and medium-sized Arizona manufacturers, the following successes were reported by RevAZ clients:

- New Sales: **\$6.8 million**
- Retained Sales: **\$2.4 million**
- Jobs created: **138**
- Jobs retained: **197**
- Cost savings: **over \$1 million**

63 ENGAGEMENTS
WITH
48 SMALL AND MEDIUM-SIZED
ARIZONA MANUFACTURERS



A program of the Arizona Commerce Authority

ExporTech

Three ExporTech bootcamp programs were delivered during Fiscal Year 2017. In total, 16 Arizona small businesses graduated with strategic plans to begin exporting their products:

- **Aerial Sphere** (Phoenix)
- **Alliance Refuse Trucks** (Gilbert)
- **AniCell BioTech** (Chandler)
- **Armored Group** (Phoenix)
- **Cactus Semiconductor** (Chandler)
- **Celebrity Marketing Promotions** (Scottsdale)
- **DeVita International** (Phoenix)
- **Good Health Manufacturing** (Chandler)
- **Occam Sustainability Partners** (Phoenix)
- **Optilab** (Phoenix)
- **Paraffin International** (Phoenix)
- **Parker Fasteners** (Goodyear)
- **PB Americano** (Phoenix)
- **R&D Manco** (Phoenix)
- **Susan Brown’s Baby** (Chandler)
- **Truce** (Tempe)

Small Business Checklist

The online, interactive Small Business Checklist Program guides entrepreneurs to business resources and commonly requested licensing information for the state, local and federal levels. The checklist ranked consistently in the top page views on the ACA’s website during Fiscal Year 2017.

CHECKLIST
42,440
UNIQUE
PAGE VIEWS
IN FY 2017



CEO Corner Office

The ACA graduated its second cohort of companies during Fiscal Year 2017. During the four-month program, the CEOs of seven rapidly-growing companies received training designed to help expand their leadership skills and continue scaling the success of their companies.



- Airpark Signs & Graphics
- AZ Builder's Exchange
- KEO Marketing
- Nano Materials International
- Novakinetics Aerosystems
- Rugo Machine Shop Services
- Vigilant Technologies



Testimonials From CEO Corner Office Graduates

"I think it was good to hear the perspectives of CEOs from other industries and how they reasoned to solve problems," he says. "It was helpful to hear how they engage their teams to foster inclusion and find solutions."

Jim Butler, HJ3 Composite Technologies

"What interested me was the chance to be at the table with other people who were in similar positions, and you'd be able to have frank conversations about what's working and what is not working, and to hear other CEOs talk about the challenges they face and how they dealt with them."

Andrew Steele, BeckonCall

"The fact that we were meeting and talking and sharing our experiences — I thought it was tremendous. It's a more interactive, live experience than other business programs."

Patrick Stafford, Stafford Tower Crane

ARIZONA OFFICE OF FILM & DIGITAL MEDIA

In December of 2016, the ACA and Bob Parson's organization, YAM Worldwide, partnered to create the Arizona Office of Film & Digital Media, a program housed at the ACA designed to develop film in Arizona.

During Fiscal Year 2017, the Arizona Office of Film & Digital Media provided assistance to nearly 60 film and media productions throughout the state. In addition, two unique efforts were launched to support filmmakers in Arizona:

- **The Reel Savings Industry Discounts** program is a pro-business, free-market program that allows the private sector to support the film and digital media industry. Participating vendors, like hoteliers, rental car operators, and restaurants, provide special discounts to out-of-state productions registered with the Arizona Office of Film & Digital Media.
- **Film Resource Coordinators** are key individuals in rural communities to serve as "point" persons for the film industry, thus tapping into a talent pool of people who know and understand their area better than anyone else. Film Resource Coordinators will play a vital role by helping production crews navigate items like permitting during shooting in their area, assisting in seeking out locations and sourcing local talent for productions. Ten Film Resource Coordinators have been enrolled throughout the state.

60
FILM AND MEDIA
PRODUCTIONS
ASSISTED IN FY 2017



WORKFORCE DEVELOPMENT

Arizona is recognized as a Top 5 state for workforce quality and availability. During Fiscal Year 2017, the ACA provided workforce assistance and talent development through the following programs and initiatives.

Navigator Program

This unique program ensures these companies have the right connections to workforce, education and community resources that can help them meet their critical human capital needs and reach their potential. In Fiscal Year 2017, the Navigator Program directly assisted 18 companies, working to help them fill 598 open positions.

18
COMPANIES
ASSISTED
IN FY 2017

598
POSITIONS
FILLED
IN FY 2017

Arizona SciTech

Anchored at the ACA, Arizona SciTech is a grassroots collaboration among industry, academia, arts, civic and community leaders to promote science, technology, engineering and math (STEM) education and careers.

- During Fiscal Year 2017, SciTech held the nation's third largest celebration of STEM participants with over 1,500 events produced by over 800 collaborators in 61 Arizona cities and towns reaching over 420,000 attendees.

1500
STEM
EVENTS
IN FY 2017

800
COLLABORATORS
IN FY 2017

61
AZ CITIES
AND TOWNS
IN FY 2017

420K
ATTENDEES
IN FY 2017

- Arizona SciTech continued its first-of-its-kind Chief Science Officers (CSO) Program, in which middle and high school students are elected to STEM and innovation ambassadors in their schools. The second year class included 220 chief science officers from 120 schools.
- In addition, Arizona SciTech convened a STEM School Community of Practice, one of the nation's first, co-developed in partnership with Intel, the Maricopa County Educational Service Agency, Arizona Science Center and the National STEM Ecosystems Project including nearly 60 schools.

Advanced Technologies Corridor

In February of 2017, as part of an effort led by the ACA and Arizona Office of Economic Opportunity, three Arizona community college systems – Maricopa Community Colleges, Central Arizona College and Pima Community College – agreed to craft a collaborative, regional approach to meeting the needs of Arizona's advanced manufacturing sector. This historic effort is the first standardized approach in Arizona to advanced manufacturing and precision production training, and represents a new level of collaboration and cooperation among the region's educational institutions.





MARKETING ARIZONA

The ACA's marketing and communications efforts continue to generate awareness and preference of Arizona as an ideal location for business.

PAID MEDIA

During Fiscal Year 2017, the ACA launched a new advertising campaign called "Perfect Balance" – designed to showcase both Arizona's business advantages and unmatched quality of life, which are key differentiators for our state.



8.7+ MILLION

PRINT IMPRESSIONS



2.45+ MILLION

DIGITAL IMPRESSIONS

OWNED MEDIA

During Fiscal Year 2017, activity on AZCommerce.com consisted of:

234,714
SESSIONS

167,907
UNIQUE USERS

PAGE VIEWS
698,202

AVERAGE SESSIONS
3:05 MINUTES
3 PAGES

NEW USER SESSIONS
71%

.....

Newsletter Highlights

The *ACA Monthly Update* includes business attraction and business expansion updates, small business innovation news, rural updates, international initiatives, infrastructure news, positive stories about Arizona and updates from the Governor's Office.

47,470
UNIQUE OPENS

16%
OPEN RATE

The *Arizona Innovation Connection* is sent weekly to Arizona's innovation ecosystem. It includes information relating to federal grants, incubators and accelerators, innovation events and funding successes.

30,015
UNIQUE OPENS

24%
OPEN RATE

Social Media Highlights

In Fiscal Year 2017, the ACA increased its audience and engagement on social media channels through consistent content creation and sharing.

 **Facebook**
36,605
LIKES

 **Twitter**
11,865
FOLLOWERS

 **LinkedIn**
3,903
FOLLOWERS

EARNED MEDIA

Arizona continues to receive national and international media coverage for its economic success. Top headlines from Fiscal Year 2017 include:

"Arizona Consumer Confidence Reaches Highest Level Since July 2007"



"Arizona GDP Growth Third Best In US, Topping National GDP Again"



"Arizona Quarter GDP Hits Record High; Beats U.S. GDP Growth"



"Lucid Motors building \$700M EV Factory in Arizona"



"Report Sees Arizona Growing Faster Than U.S. This Year And Next"



"Arizona in 2017: More People, More Jobs"



"Arizona's Economy Set For Higher Growth in 2017"



"After more than 20 years in Angleton, Benchmark Electronics HQ moving to Arizona"



"Why Arizona is Driving the Future of Self-Driving Cars"



"ADP to Create 1,500 Jobs In Arizona"



"Goodbye New York, Hello Arizona"



DURING FISCAL YEAR 2017, THE ACA WAS POSITIVELY FEATURED OR MENTIONED IN **424 NEWS ARTICLES.**

CEO Forums

The ACA, Governor Ducey and the Arizona Zanjeros hosted 29 companies from around the country across two highly successful CEO Forum programs during Fiscal Year 2017:



Waste Management Phoenix Open and NCAA Final Four National Championship. Three companies that attended a Fiscal Year 2017 CEO Forum have announced projects in Arizona, representing **937 projected new jobs** and **\$39 million in capital investment**.

TRADE SHOWS AND SALES MISSIONS

Domestic

- July 2016, CoreNet Global Summit, Los Angeles, California
- September 2016 NSCES, Chicago, Illinois
- September 2016, NAIOP, Scottsdale, Arizona
- September 2016, North Carolina Sales Mission, Raleigh, North Carolina
- October 2016, DreamForce, San Francisco, California
- October 2016, Commercial Executive Summit, Philadelphia, Pennsylvania
- October 2016, CoreNet Global Summit, Philadelphia, Pennsylvania
- October 2016, Connect with Arizona, Irvine, California
- November 2016, MGMA Annual Conference, Anaheim, California
- November 2016, Massachusetts Sales Mission, Boston, Massachusetts
- February 2017, Connecticut Sales Mission, Hartford, Connecticut
- March 2017, Site Selectors Guild, Tucson, Arizona
- April 2017, NAMES, Chicago, Illinois
- April 2017, MRO, Orlando, Florida
- May 2017, CFO Studio, Somerset, New Jersey
- June 2017, SelectUSA, Washington, D.C.
- October 2017, North Carolina Sales Mission, Charlotte, North Carolina

International

- August 2016, Trade Mission to Mexicali, Baja California, Mexico
- September 2016, Supplier Expo, Nogales, Mexico
- September 2016, Aerospace Summit, Queretaro, Mexico
- October 2016, Engine Forum Sonora, Hermosillo, Sonora, Mexico
- October 2016, Expo Minería, Hermosillo, Sonora, Mexico
- October 2016, Canada Sales Mission, Toronto, Canada
- October 2016, Canada Trade Mission, Montreal, Canada
- December 2016, SelectUSA Montreal, Montreal, Canada
- December 2016, Toronto Real Estate Forum, Toronto, Canada
- February 2017, Expo Manufactura, Monterrey, Nuevo Leon, Mexico
- February 2017, Mexico Supplier Expo, El Paso, Texas, USA
- February 2017, Trade Mission to Mexicali, Ensenada and Tijuana, Baja California, Mexico
- March 2017, Natural Products Expo West, Anaheim, California, USA
- March 2017, Middle East Business Development Conf & After-Market Automotive Show, Abu Dhabi, UAE
- April 2017, FAMEX Aerospace Expo, Mexico City, Mexico
- April 2017, Hannover Messe, Lower Saxony, Germany
- May 2017, CIM mining show, Montreal, Canada
- May 2017, China Business Summit, Los Angeles, California, USA
- June 2017, ExpoMed, Mexico City, Mexico
- June 2017, Paris Airshow, France
- June 2017, Bio2017, San Diego, California, USA
- June 2017, Laser World of Photonics, Munich, Germany

FINANCIAL PROGRAM REPORTS

ACTIVE PROGRAMS SUMMARY

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TABLE 1 – FISCAL YEAR 2017 PRE-APPROVED ACTIVE PROGRAMS SUMMARY

NUMBER OF APPLICANTS PRE-APPROVED [1]	PROJECTED NEW JOBS [2]	AVERAGE WAGE OF PROJECTED NEW JOBS [2]	PROJECTED CAPITAL INVESTMENT [2]	INCENTIVES PRE-APPROVED IN YEAR BASED ON PROJECTIONS [3]
ARIZONA COMPETES FUND				
15	5,276	\$57,660	\$ 256,691,000	\$13,551,453
COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM				
40	N/A	N/A	\$ 9,387,350	\$ 518,075
COMPUTER DATA CENTER INCENTIVE PROGRAM				
3	N/A	N/A	\$ 150,000,000+	N/A
HEALTHY FORESTS ENTERPRISE INCENTIVE PROGRAM				
0	0	N/A	\$ 0	\$ 0
INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM				
1	N/A	N/A	\$1,250,000,000+	\$ 0
JOB TRAINING GRANTS PROGRAM				
37	5,114	\$47,015	N/A	\$11,344,893
MILITARY REUSE ZONE INCENTIVE PROGRAM				
3	12	\$37,440	\$ 9,016,757	\$ 351,185
QUALIFIED FACILITY INCENTIVE PROGRAM				
4	549	N/A	\$ 161,400,000	\$ 8,780,000
QUALITY JOBS INCENTIVE PROGRAM				
25	7,247	\$56,677	\$ 105,000,000	\$65,223,000
RENEWABLE ENERGY INCENTIVE PROGRAM				
0	0	N/A	\$ 0	\$ 0
RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM				
0	N/A	N/A	\$ 0	\$ 0
TOTALS/AVERAGE [4]				
	18,198	\$54,158	\$1,836,495,107	\$99,417,421

[1] Pre-approval generally entails a commitment of incentives to an applicant which is conditioned on the applicant subsequently achieving outcomes that establish final eligibility for the incentives. In the case of tax credit programs, pre-approval is reflected by issuance of a commitment letter. In the case of grant programs, pre-approval is reflected by execution of a grant agreement.

[2] "N/A" is indicated for programs in which the applicable metric is not a component of eligibility or not available at the time of pre-approval.

[3] In some of the programs involving pre-approval, a specific incentive amount is committed at the time of pre-approval. In those programs, the amount of incentive pre-approved is either (a) in the case of tax credit programs, the amount of tax credits reserved or (b) in the case of grant programs, the maximum amount payable pursuant to the grant agreements. In programs involving pre-approval where a specific incentives amount is not committed, the pre-approval simply authorizes the applicant to claim certain benefits, which may include income tax credits, property tax reclassification or transaction privilege tax exemptions. "N/A" is included for programs in which the value of the incentive is not determined.

[4] Significant overlap exists between the projected jobs and capital investment figures reflected here and the projected jobs and capital investment figures reflected in the ACA's Fiscal Year 2017 master client list (at pages 10-11). The data sets are not the same, however, for several reasons. Most significantly, not all businesses represented on the ACA's Fiscal Year 2017 master client list applied for incentives in Fiscal Year 2017 (and therefore are not represented in this table). Additionally, as the same projected job and the same capital investment can in some cases be claimed to establish eligibility under multiple incentive programs, the total new jobs and total capital investment numbers in the table may reflect some duplication (there is no such duplication in the Fiscal Year 2017 master client list).

TABLE 2 – FISCAL YEAR 2017 POST-APPROVED ACTIVE PROGRAMS SUMMARY

NUMBER OF APPLICANTS POST-APPROVED [1]	ACTUAL NEW JOBS CREATED [2]	AVERAGE WAGE OF NEW JOBS CREATED [2]	ACTUAL CAPITAL INVESTMENT MADE [2]	INCENTIVES AWARDED BASED ON ACTUAL IN YEAR ACTIVITY [3]
ARIZONA COMPETES FUND				
63	1,552	\$79,977	\$ 79,811,393	\$ 8,576,944
COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM				
30	N/A	N/A	\$ 6,718,091	\$ 416,815
COMPUTER DATA CENTER INCENTIVE PROGRAM				
0	N/A	N/A	\$ 0	\$ 0
HEALTHY FORESTS ENTERPRISE INCENTIVE PROGRAM				
9	0	N/A	\$ 8,247,075	\$ 478,638
INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM				
0	N/A	N/A	\$ 0	\$ 0
JOB TRAINING GRANTS PROGRAM				
48	2,878	\$46,190	N/A	\$ 3,205,927
MILITARY REUSE ZONE INCENTIVE PROGRAM				
0	0	N/A	\$ 0	\$ 0
QUALIFIED FACILITY INCENTIVE PROGRAM				
3	93	\$68,404	\$ 30,891,947	\$ 1,860,000
QUALITY JOBS INCENTIVE PROGRAM				
37	3,047	\$56,349	\$353,913,347	\$18,603,000
RENEWABLE ENERGY INCENTIVE PROGRAM				
0	0	N/A	\$ 0	\$ 0
RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM				
36	N/A	N/A	\$ 58,264,067	\$ 5,000,000
TOTALS/AVERAGE [4]				
	7,570	\$57,479	\$537,845,920	\$38,141,324

[1] Post-approval generally entails an award of incentives after an applicant has taken all steps necessary to establish final eligibility for the applicable incentive. Post-approval is reflected by (a) in the case of tax credit programs, a letter authorizing the applicant to claim tax credits through the Department of Revenue over a period of years; (b) in the case of grant programs, a payment to the applicant for achieving a grant milestone; or (c) in the case of a tax exemption program, a letter confirming the applicant's eligibility to claim the exemption. In some cases, the submission of a program report by an applicant is deemed to be post- approved for purposes of this ACA report, though no actual ACA approval is involved, because the submission of reports in those cases is the process by which the ACA learns the outcomes achieved by the applicant.

[2] "N/A" is indicated for programs in which the applicable metric is not a component of eligibility. Where figures are reported in the "New Jobs Created" and "Capital Investment Made" columns, they are based on information reported in Fiscal Year 2017; as such, they may include jobs created and capital investment made prior to Fiscal Year 2017.

[3] "Awarded" means (a) in the case of tax credit programs, the amount of tax credits authorized to be claimed through the Department of Revenue over a period of years; (b) in the case of grant programs, the amount of grant payments made; or (c) in the case of tax exemption programs, the amount of exemptions reported to have been claimed by applicants. As incentive awards in a given year are often based on pre-approvals made in prior years, the amount of incentives awarded indicated in the table does not necessarily have any correlation with the amount of pre-approved incentives identified in Table 1. Further, because tax credits awarded may or may not be actually claimed by the applicant through the Department of Revenue, the actual cost to the state of tax credit programs may be lower than indicated.

[4] Little overlap exists between the actual jobs and capital investment figures in this table and the projected jobs and capital investment figures of the ACA's Fiscal Year 2017 master client list (at pages 10-11). This is primarily because the Fiscal Year 2017 master client list includes only projects that were announced in Fiscal Year 2017, whereas the vast majority of actual jobs and capital investment reflected in this table represent projects that were announced or established in previous years.

ARIZONA COMPETES FUND

Pursuant to A.R.S. § 41-1545 et seq., the Arizona Commerce Authority administers the Arizona Competes Fund (ACF). In accordance with A.R.S. § 41-1545.02, grants from the ACF may be awarded for (i) attracting, expanding or retaining Arizona basic enterprises and (ii) supporting and advancing programs and projects for rural businesses, small businesses and business development that enhance economic development. Currently, three ACA grant programs are funded through the ACF: Deal-closing Grants (A-1), Arizona Innovation Challenge Grants (AIC) and Rural Economic Development Grants (REDG).

DEAL-CLOSING GRANTS (A-1 Grants)

A-1 Grants are offered for the purpose of attracting, expanding or retaining Arizona basic enterprises.

A.R.S. § 41-1545 defines an “Arizona basic industry” as manufacturing, producing goods or services that derive at least 65% of their revenue from out-of-state sales; research and development of new products, processes or technologies; national or regional headquarters or back-office operations supporting a national or regional company; or warehouse distribution operations. Pursuant to A.R.S. § 41-1545.02(B)(6), all A-1 Grants must demonstrate through analysis by an independent third party that estimated income, property tax, transaction privilege tax and government fee revenues in Arizona resulting from the project will exceed the state incentives available to the grantee.

These grants are typically structured over a number of years with the grantee being required to meet certain milestones before grant monies are paid. These companies are also required to report a number of verifiable performance results for three to five years.

**TABLE 3A – ARIZONA COMPETES FUND PROGRAM
FISCAL YEAR 2017 PRE-APPROVED A-1 GRANTS**

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
McKesson Corporation	790	\$54,600	\$ 24,000,000	\$ 1,000,000
World View Enterprises, LLC	298	\$56,540	\$ 25,200,000	\$ 1,000,000
Rogers Corporation	190	\$75,358	\$ 21,690,000	\$ 900,000
Farmers Insurance Exchange	1,188	\$41,140	\$ 41,250,000	\$ 500,000
Orbital ATK, Inc. (Chandler, AZ)	500	\$98,050	\$ 8,801,000	\$ 2,500,000
Caterpillar Global Mining, LLC	635	\$90,000	\$ 50,000,000	\$ 4,000,000
ADP, LLC	1,500	\$46,210	\$ 33,750,000	\$ 1,500,000
DOT Foods, Inc.	125	\$34,000	\$ 46,000,000	\$ 500,000
TOTALS/AVERAGE	5,226	\$57,963	\$250,691,000	\$11,900,000

**TABLE 3A – ARIZONA COMPETES FUND PROGRAM
FISCAL YEAR 2017 POST-APPROVED A-1 GRANTS**

FY 2017 APPLICANT (POST-APPROVED)		ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
GoDaddy.com, LLC	FY17	79	\$ 71,461	\$ 0	\$ 0
	Cumulative	403	\$ 60,831	\$ 89,044,304	\$1,500,000
Silicon Valley Bank - Santa Clara	FY17	62	\$118,026	\$ 7,104,193	\$ 280,000
	Cumulative	127	\$110,374	\$ 7,139,193	\$ 280,000
General Motors, LLC	FY17	170	\$ 88,583	\$ 0	\$ 478,000
	Cumulative	787	\$ 87,327	\$ 19,666,526	\$1,300,000
The Northern Trust Company	FY17	191	\$ 79,798	\$ 9,345,554	\$ 600,000
	Cumulative	389	\$ 80,002	\$ 21,913,431	\$1,600,000
Republic Services Customer Resource Center West, LLC	FY17	279	\$ 35,916	\$ 4,672,406	\$ 0
	Cumulative	279	\$ 35,916	\$ 4,672,406	\$ 0
Carlisle Companies, Inc.	FY17	53	\$257,066	\$ 2,819,067	\$ 300,000
	Cumulative	77	\$206,689	\$ 6,349,274	\$ 300,000
Orbital ATK, Inc. (Gilbert, AZ)	FY17	61	\$ 89,892	\$ 14,111,449	\$ 0
	Cumulative	92	\$ 97,426	\$ 14,111,449	\$ 0
ZipRecruiter, Inc.	FY17	27	\$147,657	\$ 1,668,561	\$ 0
	Cumulative	114	\$ 76,182	\$ 2,026,710	\$ 0
McKesson Corporation	FY17	26	\$ 54,716	\$ 4,206,742	\$ 0
	Cumulative	26	\$ 54,716	\$ 4,206,742	\$ 0
World View Enterprises, Inc.	FY17	25	\$ 60,282	\$ 6,831,527	\$ 0
	Cumulative	25	\$ 60,282	\$ 6,831,527	\$ 0
Rogers Corporation	FY17	28	\$101,340	\$ 1,625,409	\$ 0
	Cumulative	28	\$101,340	\$ 1,625,409	\$ 0
Farmers Insurance Exchange	FY17	105	\$ 59,402	\$ 5,538,285	\$ 0
	Cumulative	105	\$ 59,402	\$ 5,538,285	\$ 0
Orbital ATK, Inc. (Chandler, AZ)	FY17	25	\$118,000	\$ 7,637,523	\$ 0
	Cumulative	25	\$118,000	\$ 7,637,523	\$ 0
Caterpillar Global Mining, LLC	FY17	159	\$140,059	\$ 1,607,930	\$4,000,000
	Cumulative	159	\$140,059	\$ 1,607,930	\$4,000,000
FY17 TOTALS/AVERAGE [1]		1,290	\$ 88,064	\$ 67,168,646	\$5,658,000
FY 2017 CUMULATIVE TOTALS/AVERAGE [1]		2,636	\$ 83,151	\$192,370,709	\$8,980,000

[1] Grants with activity in Fiscal Year 2017.

TABLE 3A – ARIZONA COMPETES FUND PROGRAM • CUMULATIVE A-1 GRANT ACTIVITY

CUMULATIVE GRANT ACTIVITY	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
TOTAL GRANTS AWARDED FY 2012-2017	3,921	\$77,184	\$248,684,313	\$15,677,329

ARIZONA INNOVATION CHALLENGE (AIC) GRANTS

AIC grants are awarded to qualified, innovative start-up and early stage companies through a business plan competition known as the Arizona Innovation Challenge. AIC grants are extended to encourage commercialization of new technologies and small business growth, which may not result in immediate job creation and capital investment. Recipients are required to meet certain milestones and report measurable outcomes over a 12-month period in order to receive the award funds. These entities are also required to file progress reports for several years beyond their grant award.

TABLE 3B – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2017 AIC GRANT AWARDS

SPRING 2017
Naya Energy is a Software as a Service (SaaS) platform that provides energy analytics to commercial and industrial purchasers of power which helps them understand, manage and optimize their energy usage and costs.
Attribytes is a Software as a Service (SaaS) platform for the foodservice industry which enables distributors and manufacturers to share and interact with uniform product and customer data directly from within their own inventory management systems.
ClickIPO is the world's first large-scale platform allowing retail investors to participate in initial public offerings (IPOs) and secondary public offerings through a mobile interface.
Codelucida develops cutting-edge error-correction technology for data storage and communication systems built on flash memory.
Electric Torque Machines uses patented transverse flux technology to make lower-cost, energy-efficient, light-weight motors for a broad variety of applications like conveyor systems and fans.
Hydronalix designs and sells a patented high-tech robotic lifeguard drone called EMILY that assists maritime professionals and first responders in ocean, beach, and flood disasters.

**TABLE 3B – ARIZONA COMPETES FUND PROGRAM
FISCAL YEAR 2017 POST-APPROVED AIC GRANTS**

FY2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
42	99	\$61,029	\$207,585	\$2,047,583

TABLE 3B – ARIZONA COMPETES FUND PROGRAM • CUMULATIVE AIC GRANT ACTIVITY

CUMULATIVE GRANT ACTIVITY	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
TOTAL GRANTS AWARDED FY 2012-2017	395	\$65,921	\$7,756,427	\$12,497,708

RURAL ECONOMIC DEVELOPMENT GRANTS (REDG)

Pursuant to A.R.S. § 41-1545.02 (A)(2), REDG grants partially fund qualifying fiscal year rural infrastructure projects that will generate private sector job creation and capital investment, particularly in Arizona basic industries. A.R.S. § 41-1545 defines an “Arizona basic industry” as manufacturing, producing goods or services that derive at least 65% of their revenue from out-of-state sales; research and development of new products, processes or technologies; national or regional headquarters or back-office operations supporting a national or regional company; or warehouse distribution operations.

These grants are awarded by the Rural Economic Development Council in competitive grant cycles each year. Grants reimburse rural entities for infrastructure improvements that enhance the community’s competitiveness. Funds are paid out over time based on the achievement of milestones and recipients are required to submit quarterly reports on the funded projects to the ACA for a period of three or more years.

The infrastructure projects funded by this grant program are often part of long term economic development initiatives within a local community and geared toward long-term job creation.

**TABLE 3C – ARIZONA COMPETES FUND PROGRAM
FISCAL YEAR 2017 PRE-APPROVED REDG GRANTS**

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
City of Yuma	50	\$26,000	\$6,000,000	\$151,453
TOTALS	50	\$26,000	\$6,000,000	\$151,453

Table 3C – Post-Approvals continued on next page >

**TABLE 3C – ARIZONA COMPETES FUND PROGRAM
FISCAL YEAR 2017 POST-APPROVED REDG GRANTS**

FY 2017 APPLICANT (POST-APPROVED)		NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Town of Prescott Valley	FY2017	41	\$38,026	\$ 8,750,000	\$ 0
	Cumulative	74	\$38,352	\$ 9,300,000	\$ 500,000
City of Nogales	FY2017	122	\$23,937	\$ 1,385,162	\$ 0
	Cumulative	164	\$22,880	\$22,539,102	\$ 500,000
Town of Chino Valley	FY2017	0	N/A	\$ 0	\$ 250,000
	Cumulative	0	N/A	\$ 0	\$ 250,000
City of Maricopa	FY2017	0	N/A	\$ 0	\$ 250,000
	Cumulative	0	N/A	\$ 0	\$ 250,000
Town of Wickenburg	FY2017	0	N/A	\$ 2,300,000	\$ 0
	Cumulative	0	N/A	\$ 2,300,000	\$ 250,000
City of Williams	FY2017	0	N/A	\$ 0	\$ 250,000
	Cumulative	0	N/A	\$ 0	\$ 250,000
City of Winslow	FY2017	0	N/A	\$ 0	\$ 121,361
	Cumulative	0	N/A	\$ 0	\$ 214,119
FY17 TOTALS/AVERAGE [1]		163	\$27,481	\$12,435,162	\$ 871,361
FY17 CUMULATIVE TOTALS/AVERAGE [1]		238	\$27,691	\$34,139,102	\$2,214,119

[1] Grants with activity in Fiscal Year 2017.

TABLE 3C – ARIZONA COMPETES FUND PROGRAM • CUMULATIVE REDG GRANT ACTIVITY

CUMULATIVE GRANT ACTIVITY	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT	CUMULATIVE ACTUAL INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
TOTAL GRANTS AWARDED FY 2012-2017	1,327	\$32,475 [1]	\$145,386,992 [2]	\$6,428,572

[1] Gantee revised average wage reported causing a reduction in the amount reported in Fiscal Year 2016.

[2] Grantee revised capital investment reported, caused a reduction in the amount reported in Fiscal Year 2016.

ANGEL INVESTMENT INCENTIVE PROGRAM – QUALIFIED SMALL BUSINESS

The Angel Investment Tax Credit Program provides certified investors a tax credit equal to 30% of investments made in a Qualified Small Business (35% if the small business is a rural or bioscience business).

On June 16, 2015, the Angel Investment Tax Credit Program reached its \$20 million statutory cap. Accordingly, the ACA was unable to certify further investments for the tax credits in Fiscal Year 2017. Beginning in Fiscal Year 2018, the ACA is authorized to certify another \$10 million in Angel Tax Credits over the next four fiscal years (\$2.5 million per year) based on legislation passed during the 2017 legislative session.

During Fiscal Year 2017, the ACA certified eligible companies as Qualified Small Businesses. This certification allows investors favorable Arizona income tax treatment on capital gains, pursuant to A.R.S. § 43-1022(27). In addition, the certification was sought by companies in anticipation of the new funding for the Angel Investment Tax Credit Program beginning in Fiscal Year 2018.

TABLE 4 – FISCAL YEAR 2017 APPROVED QUALIFIED SMALL BUSINESSES

FY 2017 APPLICANT (APPROVED QSB)	CERTIFICATION DATE
Cerebrum Corporation	12/28/16
VisionGate, Inc.	1/9/17
NeoLight, LLC	1/18/17
Splyt Easy, LLC	5/3/17
Skilled, LLC	5/22/17
Smart Clinic, LLC	5/22/17
Life365, Inc.	5/23/17
EZ Dump Commercial, Inc.	5/23/17
Urbix Resources, LLC	5/25/17
ClickIPO Holdings, LLC	5/30/17
Cancer Prevention Pharmaceuticals, Inc.	5/31/17
Beacon Biomedical, Inc.	5/31/17
PowerGrow, LLC	5/31/17
INanoBio, Inc.	6/4/17
Zxerex Corporation	6/13/17
Hivemetric, LLC	6/13/17
iTel Companies, Inc.	6/16/17
Post.Bid.Ship, Inc.	6/20/17
AniCell Biotech, LLC	6/27/17
HybridChart, Inc.	6/28/17
Vector Launch, Inc.	6/29/17
Naya Energy, LLC	6/30/17
TOTAL	22

COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM

The Commercial/Industrial Solar Energy Incentive Program provides an Arizona income tax credit to offset the cost of installation of a qualifying solar energy device at an Arizona business facility. The credits are authorized on a first-come, first-served basis and the program has an annual cap of \$1 million.

An eligible applicant is a business that purchases a solar energy device and causes the device to be installed at a facility at which the business operates. Tax credits generally equal 10% of the installed cost of the solar energy device up to \$25,000 in tax credits for one facility in a single tax year and up to \$50,000 in total tax credits for one business in a single tax year. Tax credits can be used to offset Arizona income tax liability; any unused credit amounts can be carried forward for up to five tax years.

TABLE 5 – FISCAL YEAR 2017 PRE-APPROVED COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED) [1]	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [2]	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
40	[1]	[1]	\$9,387,350	\$518,075

[1] Applicant information is confidential pursuant to ARS §41-1510.01 (C).

[2] The total cost of solar equipment projected for purchase by pre-approved applicants.

TABLE 5 – FISCAL YEAR 2017 POST-APPROVED COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE [2]	INCENTIVES POST-APPROVED BASED ON ACTUAL ACTIVITY
30	[1]	[1]	\$6,718,091	\$416,815

[1] Applicant information is confidential pursuant to ARS §41-1510.01 (C).

[2] The total cost of solar equipment purchased by post-approved applicants.

TABLE 5 – CUMULATIVE – COMMERCIAL/INDUSTRIAL SOLAR TAX CREDIT PROGRAM

POST-APPROVAL YEAR	AMOUNT POST-APPROVED	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2012	\$ 10,553,771	\$ 376,385
2013	\$ 15,777,868	\$ 904,190
2014	\$ 33,792,806	\$ 764,516
2015	\$ 25,000,057	\$ 493,055
2016	\$ 27,738,941	\$1,030,245
2017	\$ 6,718,091	\$ 416,815
TOTALS	\$119,581,534	\$3,985,206

COMPUTER DATA CENTER INCENTIVE PROGRAM

The Computer Data Center Incentive Program provides transaction privilege tax and use tax exemptions at the state, county and local levels, on qualifying purchases of Computer Data Center (CDC) Equipment.

An owner, operator or qualified co-location tenant of a CDC may receive the exemptions provided by the incentive for up to ten full calendar years following the year certification of the CDC is issued. However, if the CDC qualifies as a Sustainable Redevelopment Project, the exemptions are available for up to 20 full calendar years following the year certification of the CDC is issued.

The transaction privilege tax and use tax exemptions provided by the incentive are available to CDC facilities that meet the following criteria:

- If the CDC Facility is located in either Maricopa or Pima County, a Capital Investment of at least \$50 million is made within five years of the date of the Letter of CDC Certification from the ACA; OR
- If the CDC Facility is located in any county other than Maricopa or Pima, a Capital Investment of at least \$25 million is made within five years of the date of the Letter of CDC Certification from the ACA; OR
- In the case of an Existing CDC, regardless of location, a Capital Investment of at least \$250 million was made during the period between September 1, 2007 and August 31, 2013; OR
- In the case of a Greenfield CDC, regardless of location, a Capital Investment of at least \$200 million is made within five years of the date of the Letter of CDC Certification from the ACA.

TABLE 6 – FISCAL YEAR 2017 PRE-APPROVED COMPUTER DATA CENTER INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	MINIMUM STATUTORY CAPITAL INVESTMENT [1]
Cyrus One - Chandler	\$ 50,000,000+
Cyrus One - Chandler	\$ 50,000,000+
American Express - Phoenix	\$ 50,000,000+
TOTAL	\$150,000,000+

[1] For purposes of this table, the applicants “certified” in FY 2017 based on commitments for future required investments were deemed to have been “pre-approved.” Correspondingly, the amount identified in the “Projected Capital Investment” column is the minimum amount of aggregate capital investment the applicant that was “pre-approved” must make over a period of up to five years in order to sustain its certification (the actual amounts are confidential under A.R.S. § 41-1519(I)).

TABLE 6 – FISCAL YEAR 2017 POST-APPROVED COMPUTER DATA CENTER INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT MADE
* No Activity	

TABLE 6 - CUMULATIVE COMPUTER DATA CENTER INCENTIVE PROGRAM ACTIVITY

APPLICANT PRE-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT MADE [1]
2014	\$ 200,000,000+
2015	\$ 50,000,000+
2016	\$ 0
2017	\$ 0
TOTAL	\$1,606,707,843

[1] The amount identified in the “Actual Capital Investment” column is the minimum amount of aggregate capital investment the applicant was required to make over a period of up to five years in order sustain its certification. The actual amounts are confidential pursuant to A.R.S. § 41-1519(I).

HEALTHY FORESTS ENTERPRISE INCENTIVE PROGRAM

The Healthy Forests Enterprise Incentive is designed to promote forest health in Arizona by providing incentives for certified businesses that are primarily engaged in harvesting, processing or transporting forest products. The following incentives are provided by the Healthy Forest Enterprise Incentive:

- Reduction in tax imposed on use fuel. Use fuel is defined as all gas and liquid used to propel a motor vehicle except fuels that are subject to motor vehicle fuel tax.
- Transaction privilege tax exemption on purchased qualifying equipment, leased or rented qualifying equipment, construction contracts, equipment repair parts and motor vehicle fuel and use fuel.
- Use tax exemption on qualifying equipment purchased out-of-state, equipment repair parts and motor vehicle fuel and use fuel.
- Property tax reduction.
- Employment income tax credit – Arizona income tax credit earned over a three-year period for each net new job created, totaling up to \$3,000 per employee.
- Workforce training income tax credit – Arizona income tax credit earned over a three-year period for each new employee trained, totaling up to \$9,000 per employee.

TABLE 7 – FISCAL YEAR 2017 PRE-APPROVED HEALTHY FORESTS ENTERPRISE INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF NEW JOBS PROJECTED	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
* No Activity				

Table 7 – Post-Approvals continued on next page >

TABLE 7 – FISCAL YEAR 2017 POST-APPROVED HEALTHY FORESTS ENTERPRISE INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED IN YEAR BASED ON ACTUAL ACTIVITY
Southwest Forest Products	N/A	N/A	[2]	[2]
High Desert Investment Company	N/A	N/A	[2]	[2]
Ribelin Logging	N/A	N/A	[2]	[2]
Tri-Star Logging, Inc.	N/A	N/A	[2]	[2]
Nove BioPower, LLC	N/A	N/A	[2]	[2]
Perkins Timber Harvesting, LLC	N/A	N/A	[2]	[2]
Wirta Logging	N/A	N/A	[2]	[2]
Newpac Fibre, LLC	N/A	N/A	[2]	[2]
Mann's Clean-Up Service, LLC	N/A	N/A	[2]	[2]
TOTALS/AVERAGE	N/A	N/A	\$8,247,075	\$478,638

[1] New jobs are only reported in connection with the employment income tax credit.

[2] Information is confidential pursuant to A.R.S. § 41-1516(H).

TABLE 7 – CUMULATIVE HEALTHY FORESTS ENTERPRISE INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY11	N/A	N/A	\$ 1,057,587	\$ 124,643
FY12	N/A	N/A	\$ 995,624	\$ 23,160
FY13	N/A	N/A	\$ 806,669	\$ 11,997
FY14	N/A	N/A	\$ 180,425	\$ 43,559
FY15	N/A	N/A	\$ 4,865,729	\$ 228,234
FY16	N/A	N/A	\$ 7,027,145	\$ 403,158
FY17	N/A	N/A	\$ 8,247,075	\$ 478,638
TOTALS/AVERAGE	N/A	N/A	\$23,180,254	\$1,313,389

[1] New jobs are only reported in connection with the employment income tax credit.

INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

The International Operations Center Incentive Program provides utility relief to the owner or operator of an international operations center (IOC) that self-consumes renewable energy from a qualified facility. Utility relief is defined as the mitigation of the tax burden on the retail purchaser of electricity or natural gas.

An owner or operator of an IOC may receive the utility relief if it achieves both of the following investment requirements:

- Minimum annual investment of \$100 million in new capital assets. Investments greater than \$100 million in any taxable year may be carried forward.
- On or before the tenth anniversary of certification, a minimum investment of at least \$1,250,000,000 in new capital assets.

TABLE 8 - FISCAL YEAR 2017 PRE-APPROVED INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED CAPITAL INVESTMENT [1]
Apple Inc.	\$1,250,000,000+
TOTAL	\$1,250,000,000+

[1] The amount identified in the "Projected Capital Investment" column is the minimum amount of aggregate capital investment the applicant must make in order to sustain its certification. The actual amount is confidential pursuant to A.R.S. § 41-1520(H).

TABLE 8 - FISCAL YEAR 2017 POST-APPROVED INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT MADE
* No Activity	

TABLE 8 - CUMULATIVE COMPUTER DATA CENTER INCENTIVE PROGRAM ACTIVITY

APPLICANT PRE-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT
2016-2017	\$0
TOTAL	\$0

JOB TRAINING GRANTS PROGRAM

The Job Training Program offers grants to assist eligible Arizona employers with employee training expenditures. Program grants are payable on a cost-reimbursement basis and cover up to 75% of the eligible cost for new employee training and 50% of the eligible costs for existing employee training.

Pursuant to SB 1471 (52nd Legislature, First Regular Session), funding for the Job Training Program terminated on December 31, 2015.

Pursuant to HB 2539 (53rd Legislature, First Regular Session), the program termination date of December 31, 2015, has been extended to December 31, 2020, after which time no new grants will be issued. Grants issued on or before, and terminating after, December 31, 2020 will remain in effect through their respective contractual end dates. Grants will be funded to a maximum of \$1.3 million per grant.

TABLE 9 – FISCAL YEAR 2017 PRE-APPROVED JOB TRAINING GRANT SUMMARY

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
SK Food Group	166	\$ 39,837	\$ 354,447
QuEST Global Services NA, Inc.	150	\$ 46,667	\$ 143,438
Fingerpaint Marketing, Inc.	29	\$ 57,586	\$ 145,000
Hexagon Mining	60	\$ 94,417	\$ 73,305
Dot Foods, Inc.	166	\$ 27,015	\$ 294,897
The Northern Trust Company	473	\$ 50,974	\$1,500,000
University Mechanical & Engineering Contractors, Inc.	150	\$ 50,933	\$ 750,000
Print with Premier, LLC	13	\$ 44,183	\$ 12,694
Phoenix Packaging Operations	24	\$ 33,280	\$ 59,989
Almark Foods	234	\$ 22,579	\$ 84,740
HD Petroleum	12	\$ 49,158	\$ 96,000
Centene Corporation and Subsidiaries and Affiliates	800	\$ 45,235	\$ 169,768
4C Medical Group	6	\$ 28,080	\$ 31,193
Advisor Group	29	\$ 83,919	\$ 64,990
Willmeng Construction, Inc.	15	\$ 74,000	\$ 120,000
K2 Electric, Inc.	10	\$ 35,000	\$ 80,000
Okland Construction	30	\$ 65,167	\$ 150,000
J. B. Henderson Construction Company, Inc.	200	\$ 80,785	\$1,000,000
Corbins Electric	150	\$ 50,933	\$ 750,000
ABC Ambulance, LLC	40	\$ 34,338	\$ 77,938
HomeSmart International	10	\$ 59,600	\$ 16,254
Ron Turley Associates, Inc.	8	\$ 70,000	\$ 44,525

Table 9 – Pre-Approvals continued on next page >

TABLE 9 – FISCAL YEAR 2017 PRE-APPROVED JOB TRAINING GRANT SUMMARY (CONTINUED)

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Mulberry Management Corporation	231	\$ 47,519	\$ 43,215
Fluidic Energy	11	\$127,373	\$ 60,800
Sundt Construction, Inc.	217	\$ 44,264	\$ 121,815
Foresight Technologies, Inc.	25	\$ 39,680	\$ 116,797
Katerra, Inc.	202	\$43,844	\$ 356,498
Accolade, Inc.	100	\$55,120	\$ 72,842
Knight Transportation, Inc.	219	\$50,534	\$ 1,077,380
Urban Energy Solutions, Inc.	28	\$40,625	\$ 140,000
Atieva USA, Inc. (DBA Lucid Motors USA, Inc.)	583	\$49,502	\$ 1,500,000
VinoPRO	54	\$30,740	\$ 299,000
Rummel Construction	79	\$39,779	\$ 115,709
Storm Wind, LLC	79	\$38,025	\$ 395,000
Sante Operations, LLC	134	\$48,584	\$ 366,518
DexCom, Inc.	161	\$41,902	\$ 207,223
Republic Services	216	\$37,054	\$ 452,918
TOTALS/AVERAGE	5,114	\$47,015	\$11,344,893

Table 9 – Post-Approvals on next page >

TABLE 9 - FISCAL YEAR 2017 POST-APPROVED JOB TRAINING GRANT PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	INCENTIVES POST-APPROVED BASED ON ACTUAL ACTIVITY
4C MEDICAL GROUP	14	\$41,956	\$ 3,438
ABC Ambulance, LLC	10	\$31,944	\$ 15,484
Abrazo Community Health Network	328	\$57,749	\$ 58,249
Booker Software, Inc.	28	\$58,941	\$ 22,335
Boulder Boats	2	CONFIDENTIAL	\$ 1,458
Cash Flow Management, Inc.	1	CONFIDENTIAL	\$ 2,080
CEA Study Abroad, Inc.	29	\$59,779	\$ 13,235
Cenlar FSB_Project Sunshine	509	\$41,089	\$ 351,589
Comcast Corporation	269	\$34,185	\$ 66,074
Community Health Systems	151	\$38,033	\$ 150,402
Corbins Electric	26	\$46,484	\$ 42,228
CornellCookson	30	\$43,158	\$ 9,863
Cox Communications, Inc.	85	\$42,279	\$ 69,687
CVS Health - Scottsdale	131	\$39,900	\$ 8,996
Davis Research, LLC	8	\$31,221	\$ 9,168
DBSI, Inc	3	\$70,664	\$ 5,402
Fireapps dba Rim Tec	3	\$98,333	\$ 3,990
Fluidic Energy	2	CONFIDENTIAL	\$ 6,835
Fresenius Medical Care	140	\$51,442	\$ 30,700
Gary Yamamoto Custom Baits	54	\$21,639	\$ 483
HomeSmart International	2	CONFIDENTIAL	\$ 1,728
HTG Molecular Diagnostics, Inc.	8	\$72,000	\$ 19,150
iT1 Source	4	\$62,720	\$ 4,000
J. B. Henderson Construction Company, Inc.	62	\$45,368	\$ 110,334
Jaburg & Wilk, P.C.	8	\$89,597	\$ 14,330
Joy Cone Co.	12	\$28,796	\$ 35,331
K2 Electric, Inc.	12	\$33,401	\$ 9,003
Kovach, Inc.	13	\$41,416	\$ 32,500
LeadMD, Inc.	10	\$67,200	\$ 14,187
LeaseStation (DBA QuickSpark)	6	\$44,367	\$ 2,022
Mulberry Management Corporation	15	\$47,532	\$ 4,735
Nextiva, Inc.	243	\$48,858	\$ 572,659
Nexus Steel, LLC	46	\$32,646	\$ 214,828

TABLE 9 - FISCAL YEAR 2017 POST-APPROVED JOB TRAINING GRANT PROGRAM (CONTINUED)

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	INCENTIVES POST-APPROVED BASED ON ACTUAL ACTIVITY
Northern Arizona Healthcare	70	\$54,103	\$ 39,032
The Northern Trust Company	127	\$54,167	\$ 572,513
Okland Construction	13	\$67,614	\$ 3,365
Outbound Engine	33	\$37,106	\$ 18,871
Knight Transportation	86	\$49,703	\$ 73,449
Sitelock, LLC	22	\$63,261	\$ 62,593
Sundt Construction, Inc.	59	\$51,314	\$ 6,639
Triage Now, LLC	29	\$46,370	\$ 33,074
University Mechanical & Engineering Contractors, Inc.	24	\$39,731	\$ 76,234
ViaSat, Inc. - Tempe	7	\$83,936	\$ 293
W. D. Manor Mechanical Contractors, Inc.	75	\$53,390	\$ 285,008
WebPT, Inc.	52	\$57,180	\$ 67,206
Wellspring Medical Services, LLC	6	\$48,226	\$ 24,000
Western Industrial Resources Corporation	4	\$29,380	\$ 1,035
Willmeng Construction, Inc.	7	\$59,999	\$ 36,113
TOTALS/AVERAGE	2,878	\$46,190	\$3,205,927

TABLE 9 - CUMULATIVE JOB TRAINING GRANTS PROGRAM ACTIVITY

APPLICANT PRE-APPROVAL YEAR	NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY [1]
2011	313	\$44,312	\$ 237,384
2012	1,136	\$41,012	\$ 1,418,496
2013	2,768	\$41,382	\$ 5,407,178
2014	2,545	\$46,165	\$ 3,367,710
2015	2,614	\$40,442	\$ 4,403,213
2016	4,107	\$47,211	\$ 6,876,269
2017	2,878	\$46,190	\$ 3,205,927
TOTALS/AVERAGE	16,361	\$44,315	\$24,916,177

[1] Amount post-approved represents sums paid by the ACA to grantees in reimbursement of qualified job training expenses for net new employee-trainees and training of existing employees.

MILITARY REUSE ZONE INCENTIVE PROGRAM

The Military Reuse Zone Program (MRZ Program) was established by the state legislature in 1992 to lessen the impact of military base closures. Currently there are two Military Reuse Zones in Arizona – the former Williams Air Force Base, now known as Phoenix-Mesa Gateway Airport and the former U.S. Naval Air Facility in Goodyear, now known as Phoenix Goodyear Airport.

An applicant for the MRZ Program must be located within a military reuse zone to qualify for three types of benefits:

- Exemption from transaction privilege tax on contracts for certain types of construction within an MRZ
- Arizona income/premium tax credits for up to five years for each net new job created, totaling up to \$7,500 per non-dislocated employee and up to \$10,000 per dislocated employee
- Both real and personal property can be reclassified from class one (18.5% assessment ratio) to class six (5% assessment ratio), which may result in property tax savings of up to 72.9% for a period of five years.

TABLE 10 – FISCAL YEAR 2017 PRE-PPROVED MILITARY REUSE ZONE INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Cavu Aerospace (Phoenix-Gateway Airport)	12	\$37,440	N/A	N/A
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 195,279	\$ 7,907
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$8,821,478	\$343,278
TOTALS	12	\$37,440	\$9,016,757	\$351,185

[1] Applicant utilized transaction privilege tax exemption provisions of program and thus was not required to project job creation information.

TABLE 10 – FISCAL YEAR 2017 POST-APPROVED MILITARY REUSE ZONE INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
* No Activity				

Tables 10 – Cumulatives on next page >

**TABLE 10 – MILITARY REUSE ZONE INCENTIVE PROGRAM
CUMULATIVE ACTIVITY (PHOENIX-MESA GATEWAY)**

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE [1]	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY12	10	\$79,331	\$ 258,047	\$ 12,500
FY13	52	\$73,297	\$ 0	\$ 52,000
FY14	N/A	N/A	\$ 0	\$ 0
FY15	N/A	N/A	\$ 8,805,860	\$ 377,586
FY16	N/A	N/A	\$14,515,724	\$ 587,733
FY17	N/A	N/A	\$ 0	\$ 0
TOTALS/AVERAGE	62	\$74,270	\$23,579,631	\$1,029,819

[1] Represents the aggregate amounts that certified companies reported in their completion reports and annual reports to the ACA.

**TABLE 10 – MILITARY REUSE ZONE INCENTIVE PROGRAM
CUMULATIVE ACTIVITY (PHOENIX-GOODYEAR AIRPORT)**

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE [1]	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY12	3	\$ 74,880	\$ 520	\$ 1,000
FY13	871	\$ 98,300	\$5,310,000	\$ 207,679
FY14	831	\$ 91,964	\$ 847,161	\$ 546,612
FY15	615	\$105,931	\$ 284,000	\$ 472,684
FY16	17	\$ 93,013	\$ 55,173	\$ 7,500
FY17	0	\$ 0	\$ 0	\$ 0
TOTALS/AVERAGE	2,337	\$ 97,987	\$6,496,854	\$1,235,475

[1] Represents the aggregate amounts that certified companies reported in their completion reports and annual reports to the ACA.

QUALIFIED FACILITY INCENTIVE PROGRAM

The Qualified Facility Incentive Program provides a refundable tax credit to eligible companies investing in qualifying facilities and creating jobs. The Qualified Facility tax credits are authorized on a first-come, first-served basis and the program has an annual cap of \$70 million that is shared with the Renewable Energy Tax Incentive Program.

In order to be eligible for the Qualified Facility tax credit, a company must:

- Make a Capital Investment to establish or expand a Qualified Facility that devotes at least 80% of the property and payroll to qualified manufacturing, manufacturing-related research and development, or headquarters.
- Create net new full-time employment positions for the project, of which at least 51% must pay qualifying wages.
- Offer to pay at least 65% of the health insurance premiums for all net new full-time employment positions.

Subject to eligibility requirements, the Qualified Facility tax credit offers a refundable income tax credit equal to the lesser of:

- 10% of the qualifying capital investment or
- \$20,000 per net new job at the facility or
- \$30,000,000 per taxpayer per year.

TABLE 11 – FISCAL YEAR 2017 PRE-APPROVED QUALIFIED FACILITIES INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Carlisle Corporation, Inc.	[1]	N/A	[1]	\$ 400,000
Hexcel Corporation	[1]	N/A	[1]	\$3,940,000
IRIS USA, Inc.	[1]	N/A	[1]	\$2,800,000
Katerra Inc.	[1]	N/A	[1]	\$1,640,000
TOTALS/AVERAGE	549	N/A	\$161,400,000	\$8,780,000

[1] Confidential information pursuant to A.R.S. § 41-1512(U).

TABLE 11 – FISCAL YEAR 2017 POST-APPROVED QUALIFIED FACILITIES INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
CMC Steel Arizona	[1]	[1]	[1]	\$ 760,000
Essai, Inc.	[1]	[1]	[1]	\$ 260,000
Garmin International, Inc.	[1]	[1]	[1]	\$ 840,000
TOTALS/AVERAGE	93	\$68,404	\$30,891,947	\$1,860,000

[1] Confidential information pursuant to A.R.S. § 41-1512(U).

TABLE 11 – CUMULATIVE QUALIFIED FACILITIES INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	CUMULATIVE ACTUAL INCENTIVES CAPITAL AWARDED	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2016	[1]	[1]	[1]	\$17,540,000
2017	93	\$68,404	\$30,891,947	\$ 1,860,000
TOTALS/AVERAGE	[1]	[1]	[1]	\$19,400,000

[1] Confidential information pursuant to A.R.S. § 41-1512(U).

QUALITY JOBS INCENTIVE PROGRAM

The Quality Jobs Incentive Program provides tax credits to employers creating a minimum number of net new quality jobs and making a minimum capital investment in Arizona. The program is capped at 10,000 jobs each year.

The Quality Jobs tax credit offers up to \$9,000 of Arizona income or premium tax credits spread over a three-year period for each net new quality job (\$3,000 per year). If the allowable tax credit exceeds the income or premium tax liability, any unused amount may be carried forward for up to five consecutive taxable years.

Any company making the minimum capital investment in Arizona and creating the minimum net new quality jobs can apply. Eligibility qualifications are different for rural and metro areas. Companies located in metro areas must create at least 25 new jobs and make a capital investment of at least \$5 million. Companies located in rural areas must create at least five new jobs and make a capital investment of \$1 million.

TABLE 12 – FISCAL YEAR 2017 PRE-APPROVED QUALITY JOBS INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [1]	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Nestle Purina PetCare Company	30	\$ 50,000	\$ 1,000,000	\$ 270,000
The Northern Trust Company	300	\$ 80,000	\$ 5,000,000	\$ 2,700,000
CVS Pharmacy, Inc.	560	\$ 40,421	\$ 5,000,000	\$ 5,040,000
Priority Healthcare Distribution, Inc.	25	\$ 35,256	\$ 5,000,000	\$ 225,000
ADP, LLC	450	\$ 50,000	\$ 5,000,000	\$ 4,050,000
Farmers Insurance Woodland Hills	500	\$ 53,800	\$ 5,000,000	\$ 4,500,000
Grand Canyon University - Main	360	\$ 55,516	\$ 5,000,000	\$ 3,240,000
Grand Canyon University - 27th Av	420	\$ 48,320	\$ 5,000,000	\$ 3,780,000
Katerra, Inc.	145	\$ 44,000	\$ 5,000,000	\$ 1,305,000
Amazon.com, Inc.	550	\$ 35,760	\$ 5,000,000	\$ 4,950,000
Walgreens Co. and Subsidiaries and Affiliates	191	\$ 124,000	\$ 5,000,000	\$ 1,719,000
Centene Corporation and Subsidiaries and Affiliates	655	\$ 50,000	\$ 5,000,000	\$ 5,895,000
Jordan Manufacturing Company, Inc.	30	\$ 30,000	\$ 1,000,000	\$ 270,000
Visionary Automotive Group	125	\$ 62,600	\$ 5,000,000	\$ 1,125,000
The Northern Trust Company	575	\$ 80,000	\$ 5,000,000	\$ 5,175,000
DOT Foods, Inc.	57	\$ 34,000	\$ 1,000,000	\$ 513,000
SK Foods Group, Inc.	66	\$ 50,325	\$ 1,000,000	\$ 594,000
PayPal, Inc.	100	\$ 54,012	\$ 5,000,000	\$ 900,000
PayPal, Inc.	95	\$ 115,964	\$ 5,000,000	\$ 855,000
Republic Services, Inc.	107	\$ 99,000	\$ 5,000,000	\$ 963,000
Symantec Corporation dba Lifelock, Inc.	126	\$ 102,193	\$ 5,000,000	\$ 1,134,000
The GEO Group, Inc.	431	\$ 48,381	\$ 1,000,000	\$ 3,879,000

[1] The projected capital investment shown is the minimum amount needed to qualify for the program, \$5 million for urban locations or \$1 million for rural locations. The actual capital investment may be higher and is confidential pursuant to A.R.S. § 1525(G).

Table 12 – Pre-Approvals continued on next page >

TABLE 12 – FISCAL YEAR 2017 PRE-APPROVED QUALITY JOBS INCENTIVE PROGRAM (CONTINUED)

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [1]	INCENTIVES PRE-APPROVED IN YEAR BASED ON PROJECTIONS
loanDepot, LLC	340	\$ 58,169	\$ 5,000,000	\$ 3,060,000
loanDepot, LLC	370	\$ 61,769	\$ 5,000,000	\$ 3,330,000
Citigroup, Inc.	639	\$ 41,011	\$ 5,000,000	\$ 5,751,000
TOTALS/AVERAGE	7,247	\$ 56,677	\$105,000,000+	\$65,223,000

[1] The projected capital investment shown is the minimum amount needed to qualify for the program, \$5 million for urban locations or \$1 million for rural locations. The actual capital investment may be higher and is confidential pursuant to A.R.S. § 1525(G).

TABLE 12 – FISCAL YEAR 2017 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	QJTC JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
American Woodwork Corporation	13	5	\$ 53,243	N/A	\$ 54,000
TJX Companies, Inc.	0	38	N/A	N/A	\$ 114,000
Allegis Group Holdings, Inc.	161	N/A	\$ 44,663	\$ 5,000,000	\$ 483,000
Massachusetts Mutual Life Insurance Company	32	116	\$ 54,281	N/A	\$ 444,000
United Services Automobile Association	14	52	\$ 68,551	N/A	\$ 198,000
Shamrock Foods Company	71	73	\$ 66,694	N/A	\$ 432,000
Hexcel Corporation	N/A	20	N/A	N/A	\$ 60,000
Yampa Precision Manufacturing, Inc.	N/A	5	N/A	N/A	\$ 15,000
Farmers Insurance – Woodland Hills	86	N/A	\$ 46,528	\$ 5,000,000	\$ 258,000
Isagenix International, LLC	44	68	\$ 66,465	N/A	\$ 336,000
Wells Fargo & Company	254	153	\$ 41,983	N/A	\$ 1,221,000
State Farm Mutual Company and Subsidiaries	352	1,008	\$ 72,223	N/A	\$ 4,080,000
CVS Pharmacy, Inc.	64	N/A	\$ 60,715	\$ 5,000,000	\$ 192,000
DriveTime Automotive Group, Inc.	148	N/A	\$ 63,226	\$ 5,000,000	\$ 444,000
General Motors Corporation	217	462	\$ 79,539	N/A	\$ 2,037,000
Knight Transportation, Inc.	57	103	\$ 52,747	N/A	\$ 480,000
Discover Financial Services, LLC	80	N/A	\$ 41,012	\$ 5,000,000	\$ 240,000
Aetna, Inc.	N/A	240	N/A	N/A	\$ 720,000
Nationstar Mortgage	78	118	\$ 38,657	N/A	\$ 588,000
The Northern Trust Company	257	70	\$ 61,273	N/A	\$ 981,000
Cognizant	14	34	\$ 84,253	N/A	\$ 144,000

[1] The Quality Jobs Tax Credit Program allocates tax credits of \$3,000 per added or retained position per year for three years. The jobs retained represents jobs created under this program in a prior year with 2ND or 3RD year credits allocated in the current year.

[2] The actual capital investment shown is the minimum amount needed to qualify for the program, \$5 million for urban locations or \$1 million for rural locations. The actual capital investment may be higher and is confidential pursuant to A.R.S. § 1525(G). "N/A" is listed for Applicants that met their minimum eligibility requirements in a prior year.

Table 12 – Post-Approvals continued on next page >

TABLE 12 – FISCAL YEAR 2017 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM (CONTINUED)

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	QJTC JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
United Airlines, Inc.	1	27	CONFIDENTIAL	N/A	\$ 84,000
Amazon.com, Inc.	125	N/A	\$ 45,895	\$ 5,000,000	\$ 375,000
PayPal, Inc.	28	45	\$ 54,122	N/A	\$ 219,000
PayPal, Inc.	42	N/A	\$116,917	\$ 5,000,000	\$ 126,000
Sprouts Farmers Market, Inc.	43	29	\$ 45,173	N/A	\$ 216,000
Tractor Supply Company	5	26	\$ 37,512	N/A	\$ 93,000
Recreational Equipment, Inc.	35	N/A	\$ 53,138	\$ 1,000,000	\$ 105,000
Grand Canyon Education, Inc. - Main Campus	80	177	\$ 59,407	N/A	\$ 771,000
Grand Canyon Education, Inc. - 27th Avenue	30	113	\$ 52,783	N/A	\$ 429,000
Laboratory Corporation of America	N/A	16	N/A	N/A	\$ 48,000
The GEO Group, Inc.	431	N/A	\$ 48,364	\$ 1,000,000	\$ 1,293,000
Waste Management, Inc.	N/A	82	N/A	N/A	\$ 246,000
Asurion Insurance Services, Inc.	8	74	\$ 59,803	N/A	\$ 246,000
Citigroup, Inc.	213	N/A	\$ 42,946	\$ 5,000,000	\$ 639,000
Jordan Manufacturing Company, Inc.	9	N/A	\$ 41,833	\$ 1,000,000	\$ 27,000
Republic Services, Inc.	55	N/A	\$ 58,943	\$ 5,000,000	\$ 165,000
TOTALS/AVERAGE	3,047	3,154	\$ 56,349	\$353,913,347	\$18,603,000

[1] The Quality Jobs Tax Credit Program allocates tax credits of \$3,000 per added or retained position per year for three years. The jobs retained represents jobs created under this program in a prior year with 2ND or 3RD year credits allocated in the current year.

[2] The actual capital investment shown is the minimum amount needed to qualify for the program, \$5 million for urban locations or \$1 million for rural locations. The actual capital investment may be higher and is confidential pursuant to A.R.S. § 1525(G). "N/A" is listed for Applicants that met their minimum eligibility requirements in a prior year.

TABLE 12 – CUMULATIVE QUALITY JOBS INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY [1]
2012	348	\$117,827	\$2,436,367,936	\$ 1,044,000
2013	1,028	\$ 50,400	\$1,694,142,119	\$ 4,113,000
2014	1,041	\$ 53,316	\$ 102,392,468	\$ 6,339,000
2015	2,221	\$ 54,125	\$ 348,087,494	\$ 9,102,000
2016	1,785	\$ 61,751	\$ 515,460,180	\$12,972,000
2017	3,047	\$ 56,349	\$ 353,913,347	\$ 18,603,000
TOTALS/AVERAGE	9,470	\$ 58,126	\$5,450,363,544	\$ 52,173,000

[1] Amount post-approved represents nonrefundable income tax credits authorized by the ACA for qualified net new job creation and capital investment; credit recipients may carry forward tax credits for up to five years.

RENEWABLE ENERGY INCENTIVE PROGRAM

The Renewable Energy Incentive Program provides incentives to companies in the solar, wind, geothermal and other renewable energy industries who are expanding or locating in Arizona. The program offers a refundable income tax credit up to 10% of the new qualifying investment. The Renewable Energy tax credits are authorized on a first-come, first-served basis and the program has an annual cap of \$70 million that is shared with the Quality Facility Tax Incentive Program.

Businesses making new qualifying investments in manufacturing and/or headquarter operations in Arizona in renewable energy industries are eligible for a tax credit if they meet the following requirements:

- At least 51% of the net new full-time employment positions are paid 125% or more of the state's annual median wage; and
- The company offers to pay at least 80% of the employee's health insurance costs for all net new full-time employment positions at the facility.

The Renewable Energy tax credit amount is based on the total qualifying investment made and the number of jobs being created by the company. To generate tax credits, a renewable energy manufacturing company must create 1.5 new full-time jobs for every \$500,000 of capital investment. Alternatively, a renewable energy headquarters operation must create one new full-time job for every \$200,000 of capital investment.

TABLE 13 – FISCAL YEAR 2017 PRE-APPROVED RENEWABLE ENERGY INCENTIVE PROGRAM

FY 2017 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
*No Activity			

TABLE 13 – FISCAL YEAR 2017 POST-APPROVED RENEWABLE ENERGY INCENTIVE PROGRAM

FY 2017 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
*No Activity			

TABLE 13 – CUMULATIVE RENEWABLE ENERGY INCENTIVE PROGRAM ACTIVITY

PRE-APPROVAL YEAR	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY [1]
2012	49	\$53,247	\$21,354,439	\$1,633,333
TOTALS/AVERAGE	49	\$53,247	\$21,354,439	\$1,633,333

[1] Amount post-approved represents refundable income tax credits authorized by the ACA for qualified net new job creation and capital investment.

RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

The Research and Development Incentive Program provides an Arizona income tax credit for increased research and development activities conducted in this state, including research conducted at a state university and funded by an applicant company.

The current R&D tax credit applies to both corporations and individuals and is equal to 24% of the first \$2.5 million in qualifying expenses plus 15% of the qualifying expenses in excess of \$2.5 million. A company that is otherwise qualified for the R&D tax credit who employs less than 150 full-time employees can apply to the ACA for a partial refund of up to 75% of the current year's credit minus the current year's tax liability.

An additional credit amount is allowed if the taxpayer made basic research payments during the tax year to a university under the jurisdiction of the Arizona Board of Regents. The additional credit amount is equal to 10% of the basic research payments that constitute excess expenses for the tax year over the base amount.

TABLE 14 – FISCAL YEAR 2017 PRE-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

FY 2017 APPLICANTS (PRE-APPROVAL)	CAPITAL INVESTMENT PROJECTED	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
* No Activity		

TABLE 14 - FISCAL YEAR 2017 POST-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

FY 2017 APPLICANTS (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Hexius Semiconductor	\$ 292,312	\$ 26,255
ASEI Engineering, Inc.	\$ 542,600	\$ 48,834
Sentinel Monitoring Systems, Inc.	\$ 1,313,828	\$ 118,207
SDC Materials, Inc.	\$ 7,646,810	\$ 598,846
World View Enterprises, Inc.	\$ 3,845,736	\$ 346,079
Nth Degree Technology	\$ 1,902,409	\$ 171,179
Salutaris Medical Devices	\$ 1,766,354	\$ 158,934
Fabricating/Distributor, Inc.	\$ 443,942	\$ 37,003
CTM Magnetics	\$ 1,391,641	\$ 110,411
CellTrust Corporation	\$ 1,186,793	\$ 106,774
Integrated Technology Corporation	\$ 1,058,529	\$ 95,268
Design Works Studio, LLC	\$ 828,139	\$ 74,532
Cancer Prevention Pharmaceuticals, Inc.	\$ 944,487	\$ 84,966
Andes Industries, Inc.	\$ 1,372,122	\$ 123,453
Solid State Networks I, LLC	\$ 664,161	\$ 59,774
nQueue Billback, LLC	\$ 1,721,392	\$ 151,790
Invidasys, Inc.	\$ 438,523	\$ 39,430
Provista Diagnostics, Inc.	\$ 2,566,942	\$ 303,282
Pegasus Solutions	\$ 1,563,259	\$ 140,656

Table 14 – Post-Approvals continued on next page >

**TABLE 14 - FISCAL YEAR 2017 POST-APPROVED RESEARCH AND DEVELOPMENT
INCENTIVE PROGRAM (CONTINUED)**

FY 2017 APPLICANTS (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Cybersponse, Inc.	\$ 767,018	\$ 68,994
Boeckeler Instruments, Inc.	\$ 392,624	\$ 35,336
Aztera, LLC.	\$ 284,069	\$ 25,566
Azbil North America, Inc.	\$ 982,847	\$ 88,419
IPRO TECH, Inc	\$ 3,428,939	\$ 308,605
Cactus Semiconductor	\$ 548,320	\$ 31,305
Elitise	\$ 1,299,732	\$ 116,976
Axosoft	\$ 2,351,535	\$ 113,100
Regenesis Biomedical, Inc.	\$ 2,052,763	\$ 184,711
Pure Chat, Inc.	-	\$ 66,198
Rockford Corporation	\$ 1,565,392	\$ 140,848
Metal Magic, Inc.	\$ 708,156	\$ 63,734
Split Engineering, LLC	\$ 169,870	\$ 15,288
LeaseHawk, LLC	\$ 1,101,436	\$ 99,129
Heliae Technology Holdings, Inc.	\$ 8,632,537	\$ 654,293
MSDx, Inc.	\$ 88,296	\$ 7,988
Zero Mass Water	\$ 2,400,554	\$ 183,837
TOTALS	\$58,264,067	\$5,000,000

TABLE 14 - CUMULATIVE RESEARCH AND DEVELOPMENT TAX CREDIT PROGRAM

APPLICANT POST-APPROVAL YEAR	CUMULATIVE CAPITAL INVESTMENT	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2012	\$ 61,692,391	\$ 5,000,000
2013	\$ 61,965,382	\$ 5,000,000
2014	\$ 58,942,155	\$ 5,000,000
2015	\$ 60,852,349	\$ 5,000,000
2016	\$ 61,692,352	\$ 5,000,000
2017	\$ 58,264,067	\$ 5,000,000
TOTALS	\$363,408,696	\$30,000,000

PRIVATE ACTIVITY BONDS

Private Activity Bonds are securities issued by or on behalf of a local government to provide debt financing for the construction of industrial and manufacturing facilities and the purchase of equipment, residential rental projects, facilities for the furnishing of water, sewage and solid waste facilities and more.

The ACA has been responsible for allocating the state ceiling for private activity bonds since 1984 and on January 1, 2017 that responsibility was transferred to the Arizona Finance Authority. The 2017 volume cap is \$693,107,100.

TABLE 15 – FISCAL YEAR 2017 PRE-APPROVED PRIVATE ACTIVITY BONDS SUMMARY

FY 2017 APPLICANTS PRE-APPROVED	CAP ALLOCATED
8	\$101,601,592

TABLE 15 – FISCAL YEAR 2017 POST-APPROVED PRIVATE ACTIVITY BONDS SUMMARY

FY 2017 APPLICANTS POST-APPROVED	ALLOCATION USED [1]
6	\$87,141,592

[1] Bonds reported at the amount issued.

[Click here](#) to review the ACA's Fiscal Year 2017 Financial Audit report.

