

Annual Report

Fiscal Year 2023

JULY 1, 2022 – JUNE 30, 2023

ARIZONA
COMMERCE AUTHORITY

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From the President & CEO

Friends of the ACA,

Fiscal Year 2023 (FY23) represented the first year of the ACA's new Five-Year Business Plan, which is titled "Scaling Arizona's Global Competitiveness." The plan builds on our past success, lays out an enhanced strategic vision, and sets even higher goals for the future.

After completing just our first year of that plan, I'm pleased to announce that we have already met and exceeded our five-year goal for capital investment.

In FY23, the ACA and our partners worked with companies that committed to creating 24,227 projected new jobs with an average wage of \$72,581, while investing \$40.73 billion in Arizona's communities—all three representing single year records for the ACA. FY23 saw wins in every corner of our state, with expansions occurring in Avondale, Buckeye, Camp Verde, Casa Grande, Chandler, Coolidge, El Mirage, Eloy, Gila Bend, Gilbert, Glendale, Goodyear, Kingman, La Paz, Mesa, Phoenix, Pima, Peoria, Queen Creek, Sahuarita, Scottsdale, Sierra Vista, Surprise, Tempe, Tolleson, Tucson, Willcox, and Yuma.

Over the year, we continued our efforts to grow our international footprint. In March, Governor Katie Hobbs announced the opening of two new Arizona Trade & Investment offices in Asia, one in Taipei, Taiwan and the other in Seoul, South Korea. In May, the governor led an Arizona delegation to SelectUSA in Washington, D.C., where we met with business leaders from Taiwan, South Korea, Europe, Israel, the Indo-Pacific, and more. In September, Governor Hobbs and the ACA participated in a four-day trade delegation to Taiwan and South Korea.

In a win for Arizona's small businesses and entrepreneurs, the ACA partnered with agencies across the state to launch Arizona Business One Stop—a centralized, online location that makes it easy to plan, start, and grow a business. With this tool, Arizona becomes just one of a handful of states to fully optimize and streamline the process for starting an enterprise, helping more Arizonans turn their good idea into a business. Likewise, we joined Plug and Play to launch the Plug and Play accelerateAZ partnership. Plug and Play accelerateAZ will drive early-stage investments in multiple industries across the state, including advanced manufacturing, sustainability, and health care.

There were no signs of slowing down for Arizona's booming semiconductor industry. In August, the ACA convened the Arizona Semiconductor Task Force—a coalition of more than 120 partner organizations from industry, academia, and government—to compete for CHIPS Act funding. In

November, Arizona made a historic \$100 million investment to further enhance semiconductor infrastructure, workforce, and research capabilities in the state. Furthermore, we released the National Semiconductor Economic Roadmap (NSER), an industry led effort that is convened by the ACA and aims to enhance U.S. competitiveness for semiconductor investments. And in December, TSMC, at an event attended by President Biden, announced plans to expand its Arizona operations to two high-tech fabs, representing a \$40 billion investment and more than 4,500 jobs.

Throughout the year, we remained focused on ensuring that Arizona's workforce needs are met. In June, Governor Hobbs announced the first two Future48 Workforce Accelerators. These accelerators represent a partnership with industry leaders, equipping community colleges with the latest equipment and curriculum to scale advanced manufacturing talent quickly.

In the report that follows, you'll find detailed information on our results and accomplishments across the ACA's diverse suite of programming during FY23. As always, our team at the ACA is grateful for the steadfast leadership of Governor Hobbs and our entire board of directors. I also thank our many partners from around the state, including community leaders from industry, higher education, government, and more—our success and Arizona's continued economic momentum has truly been a team effort.

I hope you enjoy learning more about the ACA and what we've achieved together in Fiscal Year 2023.



My best,

A handwritten signature in black ink that reads "S. Watson".

Sandra Watson

Arizona Commerce Authority President & CEO



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.



Board of Directors

The ACA is guided by a Board of Directors, led by Governor Katie Hobbs as Chairman. The Board represents a wide range of subject matter expertise and experience across business, policy, and academia, all leveraged to advance the ACA's mission to strengthen the state's overall economy.

EXECUTIVE COMMITTEE



Governor Katie Hobbs
Governor
State of Arizona



Sandra Watson
President & CEO
Arizona Commerce Authority



Michael Bidwill
President
Arizona Cardinals



Girish Rishi
CEO
Cognite



Pam Kehaly
President & CEO
Blue Cross Blue Shield of AZ



John Arnold
Executive Director
Arizona Board
of Regents



Tony Astorga
CEO
AZTOR Health Management
Strategic Advisors



Michael Bidwill
President
Arizona Cardinals



Supervisor Jean Bishop
Mohave County



**Representative
Russell Bowers**
House Speaker
State of Arizona



Mayor Cathy Carlat
Mayor
City of Peoria



Dr. Michael Crow
President
Arizona State
University



Jenn Daniels
CEO
Horizon Strategies



Senator Karen Fann
Senate President
State of Arizona



Phil Gallagher
CEO
Avnet



Monica Garnes
Division President
Fry's Food Stores



Mark Gaspers
Senior Manager
Government Operations
The Boeing Company

Board of Directors



Dr. Richard J. Gray
CEO
Mayo Clinic



Sharon Harper
Chairman & CEO
Plaza Companies



Duff Hearon
Owner & CEO
Ashland Group
Millennium, LLC



Governor Katie Hobbs
Governor
State of Arizona



Pam Kehaly
President & CEO
Blue Cross Blue Shield
of Arizona



Wes Kremer
President
Raytheon Missile
& Defense



Lee Lambert
Chancellor
Pima Community
College



Clate Mask
CEO & Co-Founder
KEAP



Simer Mayo
CEO & Founder
ValorGlobal



Mayor Douglas J. Nicholls
Mayor
City of Yuma



Quynh Palomino
Principal
Virtua Partners



Senator Warren Petersen
Senate President
State of Arizona



William Pilcher
CEO
USI Insurance Services



Girish Rishi
CEO
Cognite



Dr. José Luis Cruz Rivera
President
Northern Arizona
University



Dr. Robert Robbins
President
University of Arizona



Danny Seiden
President & CEO
Arizona Chamber of
Commerce and Industry



Jack Selby
Managing Director
Thiel Capital



**Representative
Ben Toma**
House Speaker
State of Arizona



Cathleen C. Walker
Regional President for
Phoenix/Northern Arizona
PNC Bank



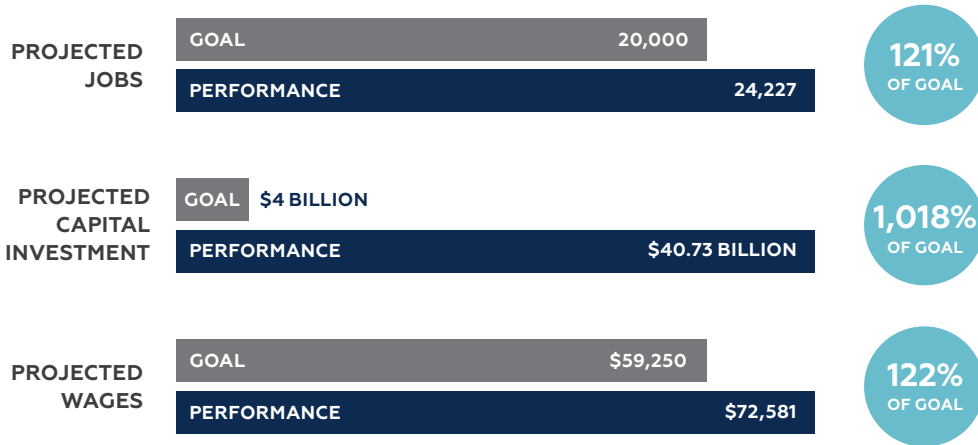
Sandra Watson
President & CEO
Arizona Commerce
Authority



Supervisor Jason Whiting
Navajo
County

Executive Summary

FY 2023 Results



FY 2023 ECONOMIC IMPACT

273,445
direct, indirect and induced jobs

\$98.03B
economic output

\$2.76B
tax revenue

4,221

SMALL BUSINESS ENGAGEMENTS

373

ARIZONA MANUFACTURERS SUPPORTED BY ARIZONA MEP

313

ARIZONA COMPANIES ASSISTED IN EXPORTING TO 51 COUNTRIES

225

FILM & DIGITAL MEDIA PROJECTS ASSISTED

4,221

RURAL ARIZONA ENGAGEMENTS

2,157

ARIZONA TECHNOLOGY COMPANY ENGAGEMENTS

\$993.1 M

IN BEAD FUNDING SECURED FOR BROADBAND INFRASTRUCTURE

4,141

NEW ENROLLMENTS IN ARIZONA CAREER READINESS CREDENTIAL PROGRAM

667,957

VISITS TO AZCOMMERCE.COM



Business Attraction & Expansion Results

FISCAL YEAR 2023 CLIENTS & TOTALS

92
PROJECTS

24,227
PROJECTED NEW JOBS*

\$40.73B
CAPITAL INVESTMENT*

\$72,581
AVERAGE SALARY*

*All figures present five-year projections.

Q1
Acadia Healthcare
Benchmark Electronics, Inc.
Bizerba USA, Inc.
Gummi World
JX Nippon Mining & Metals, USA, Inc.
Matic
Moses Lake Industries
Nikola Motor
Plug Power
Sion Power Corporation
Solvay
Steel Jupiter
The Home Depot USA
The Hub Holding Company LLP
Virgin Galactic
Yield Engineering Systems
Q2
Advanced Financial
American Battery Factory
Boeing Company
Bombardier, Inc.
Chrome Hearts
Cirba Solutions
Discount Tire Co
Dynalectric
Efp
Flowserve Corp
FrameTec
Fujifilm Electronic Materials U.S.A, Inc.
Gulfstream Aerospace Corporation
JA Solar
KPCT Advanced Chemicals, Inc.
NextEra Energy
Pony.ai
Procter & Gamble Co
Rehrig Pacific Company
Sysco Arizona, Inc.
The Wood Veneer Hub
Tippmann Group
TSMC
Vantage Data Centers AZ11, LLC

Q3
ASM America, Inc.
Consumer Cellular
Dave's Custom Boats
EVLution Energy
Hyrel Technologies, Inc.
Koi Design
LG Energy Solution
Mediterranean Shipping Company (USA) Inc
Northrop Grumman
Optimal Health Systems
Puma
Q4
Advantest America, Inc.
AerSale Goodyear MRO Operations Center
Applied Materials, Inc.
Arizona Lithium
BlackStar Orbital
CarMax
Cavco Industries, Inc.
Clayco
Driveline Baseball
Google, Inc.
Gowan Company
Grocery Delivery E-Services USA, Inc.
Heraeus Conamic
Hydronalix, Inc.
Northrop Grumman
Open Laboratory Solutions
Qi Solutions
Republic Services
Romac Industries
Rose Acre Farms
Steel Dynamics, Inc.
Sunstate Equipment Co
Super Radiator Coils
Townsquare Media, Inc.
Tricolor Auto
Walter's Precision Service, Inc.
WESCO International
Xnrgy

Business Development

The ACA offers a comprehensive suite of customized programs designed to support the growth and success of Arizona Businesses of all sizes statewide.



SMALL BUSINESS SERVICES

Small businesses are critical to Arizona’s overall economic success and the ACA continues to focus on supporting this sector. In the second half of FY22, a virtual chatbot assistant called SALLI (State and Local Licensing Information) was launched as a part of the Small Business Checklist section on the ACA’s website. In FY23, SALLI handled **1,355** individual user inquiries and the Small Business Services team responded to an additional **1,893** direct requests for assistance.

The Small Business Digital Academy is a comprehensive multi-week course that teaches entrepreneurs and small business owners how to utilize websites, social media, e-commerce, SEO, CRM and analytics tools to promote their business digitally.

During FY23, the Small Business Services team conducted four Small Business Digital Academy cohorts with **138** participating small businesses.

The Small Business Boot Camp is a statewide initiative to help Arizona’s small businesses grow into thriving businesses. In FY23, the Small Business Boot Camp services presented **52** webinar sessions, viewed by **2,744** attendees, six of which were in Spanish. The Small Business Services team also hosted six in-person workshops, attended by a total of **484** small business representatives. The workshops were presented in partnership with the ACA, the Phoenix Business Journal, Blue Cross Blue Shield of AZ, Local First Arizona, Small Business Development Centers (SBDC) and the Arizona Department of Revenue.

Since its launch, the Small Business Boot Camps and Workshops have hosted over 15,500 attendees.

The ACA also partnered with the Arizona Department of Administration, the Secretary of State, Arizona Corporation Commission and the Arizona Department of Revenue to launch Arizona Business One Stop—a centralized location with personalized tools to plan, start, grow, move and close businesses in Arizona.

Business Development

ARIZONA MANUFACTURING EXTENSION PARTNERSHIP

The Arizona Manufacturing Extension Partnership (AZ MEP) provides consulting services to small and medium-sized manufacturers across the state with a mission to make every Arizona manufacturer the most successful business it can be. The AZ MEP has continued to grow over the past several years and has become a highly regarded MEP Center within the MEP National Network. In June, the National Institute of Standards and Technology (NIST) renewed and increased AZ MEP's federal grant to expand reach within the state and help more manufacturers by providing a wider range of services and resources to grow their businesses. As a result, the AZ MEP increased its offerings, including trainings and workshops, and added several new services. In FY23, the AZ MEP hosted a total of **37** workshops with **452** attendees.

The AZ MEP completed **124** separate, client-specific projects with **77** manufacturers in FY23 with the following success metrics reported by clients:

\$38.7M IN NEW CAPITAL INVESTMENTS

822 NEW JOBS CREATED

\$11.7M IN COST SAVINGS

\$105.2M IN SALES REVENUE (GENERATED & RETAINED)



Business Development

The AZ MEP team launched new programs and partnerships in FY23 including the following:

- ▶ **Leadership Academy:** Partnering with the University of Arizona's Eller Executive Education, AZ MEP launched "Driving Strategic Communication within Manufacturing," a 4-session certification designed for upper management professionals.
- ▶ **Lean Green Belt Training and Certification:** Specifically tailored to manufacturers and led by two AZ MEP Staff Continuous Improvement Experts, the program has been so well received that registrations are currently being accepted for its fourth cohort.
- ▶ **Manufacturing Apprenticeships Accelerator:** The AZ MEP partnered with Arizona@Work and Maricopa County to host a discussion on apprenticeship programs available in the state.
- ▶ **Arizona Manufacturing Network (AMN):** In June 2023, the AZ MEP launched the AMN to help Arizona manufacturers develop business relationships with one another and to identify new suppliers. The AMN will be used to map the Arizona manufacturing ecosystem and support U.S. Department of Commerce efforts to improve supply chain resiliency.
- ▶ **Leadership Development Program:** Designed to help newly promoted supervisors learn the skills they need to succeed. Due to high-demand, the AZ MEP team is now scheduling its fifth cohort.
- ▶ **NAU's College of Engineering and Applied Sciences and Mechanical Engineering:** The AZ MEP team partnered with the National MEP Advanced Technology Team and Northern Arizona University to determine how educational program offerings can help Arizona's small- and medium-sized manufacturers. Programs include Industry 4.0 as well as senior capstone projects that solve real industry problems and prepare students entering the workforce.
- ▶ **Women in Manufacturing:** The AZ MEP has partnered with the Women in Manufacturing Association® (WiM), the only national trade association dedicated to providing year-round support to women who have chosen a career in the manufacturing industry.
- ▶ **NASA Collaboration:** The AZ MEP was invited to collaborate with NASA to provide manufacturing support for space programs, including the implementation of leading-edge NASA technologies and deployment of advanced manufacturing processes. AZ MEP was one of 17 MEP centers invited to participate in this new NASA program.
- ▶ **Semiconductor Roundtable:** The AZ MEP partnered with NIST to host senior executives from Intel, NXP, Applied Materials and Skywater Technology to discuss how small and medium-sized manufacturers can play a larger role in supporting the revival of U.S. based semiconductor production. The virtual session, which was attended by **166** people, included topics such as workforce development, supply chain issues and common challenges that affect industry competitiveness.
- ▶ **Strategic Workshop on National Supply Chain Solutions:** Sponsored by the Department of Defense and the National Association of Manufacturers, the workshop focused on building supply chain resiliency in support of national defense and emergency preparedness.

The AZ MEP was honored to host the 2023 NIST MEP Regional meeting. In attendance were the NIST Project Managers for the National Programs Division, the Federal Program Officer for the Western Region, and MEP Center Directors from Idaho, Utah, Nevada, California, Washington, Oregon, Wyoming and Hawaii. The 2-day event focused on best practices for strengthening U.S. manufacturing and increasing the competitiveness of manufacturers in Western states.

Business Development

INTERNATIONAL TRADE & INVESTMENT

The ACA continued to expand its international footprint in FY23 with the opening of two new Trade & Investment Offices—one based in Seoul, Korea and the other in Taipei, Taiwan. These two offices will support Arizona's growing foreign direct investment, as well as support Arizona businesses looking to export and grow internationally.

To support Arizona businesses exporting abroad, the ACA hosted **13** delegation visits from multiple countries including Germany, Ireland, Taiwan, Korea and Japan. The ACA International team also attended **15** international events including SelectUSA in Washington DC, the Paris Air Show in France, GITEX in the United Arab Emirates, and InterBattery in Korea. During FY23, the ACA assisted **313** Arizona companies growing their exports to **51** countries in sectors including aerospace, advanced manufacturing, automotive, defense and security, optics and photonics, medical technology, mining technology and software.



Business Development

FILM & DIGITAL MEDIA

The ACA's Film & Digital Media Program supports the development of the visual arts industry in Arizona by providing direct assistance to filmmakers and production companies. Services range from location scouting and permitting to equipment and crew recommendations. During FY23, **225** film and digital media projects seeking to film in Arizona were assisted, ranging from independent feature films, music videos and commercials to TV episodes, documentaries and more.

In January 2023, the Motion Picture Production Program tax credit went into effect to incentivize growth of Arizona's film and digital media industry. The refundable tax credit program allows production companies the opportunity to recapture a percentage of qualified production expenses spent in Arizona to produce more than 50 percent of their movie, television show, commercial or music video at a qualified production facility and/or a practical location.

The Reel Savings Industry Discounts program enables private sector businesses in hospitality, restaurant, transportation, fashion and other service industries to support productions filming in Arizona by offering discounts or rebates. The program has continued to grow and added an additional **31** participating new vendors in FY23.

In FY23, the Film Program launched its inaugural workforce training initiative known as Arizona FILM READY Crew in partnership with five community colleges: Yavapai Community College, Coconino Community College (supported by Northern Arizona University), Scottsdale Community College, Glendale Community College (supported by Huntington University) and Pima Community College. Each school hosted an inaugural weeklong Production Assistant (PA) Certification Program graduating **170** new production assistants who plan to enter the local workforce.



Rural Economic Development

The ACA's mission to diversify the economy is rooted in remaining engaged in communities throughout the state providing guidance, technical assistance and strategies tailored to each location.

During FY23, the Rural Economic Development team supported communities with **4,317** total engagements across Arizona. Client announcements in rural communities included EValution Energy in Yuma, FrameTec in Camp Verde, Procter & Gamble in Coolidge, Cirba Solutions in Eloy, Nucor in Kingman and Solvay in Casa Grande. In FY23, the ACA worked with **19** companies that committed to creating **4,261** projected new jobs with a capital investment of **\$3.84B** and an average wage of **\$66,276**.

In a continued effort to enhance and improve the state's infrastructure, the ACA was proud to partner with the Arizona Department of Transportation in administering **\$1.3M** of grant funding to go towards economic development related transportation infrastructure in Camp Verde, Coolidge, Flagstaff and the City of Maricopa.

The ACA has also been engaged in the establishment of a new commercial port of entry in Douglas, Arizona. The General Services Administration has made a commitment of **\$216M** to create this much needed asset that will facilitate enhanced trade with Mexico. Construction will begin in 2025.



Innovation & Entrepreneurship

Developing Arizona's entrepreneurial ecosystem and fostering emerging technologies is critical for the state's continued global competitiveness and economic success.

ENTREPRENEURSHIP PROGRAMS

During FY23, the ACA partnered with Plug and Play, a global innovation platform that connects startups, corporations, venture capital firms, universities and government agencies, to launch Plug and Play accelerateAZ. This new program will drive early-stage investments into multiple industries over the next few years, including advanced manufacturing, sustainability and health. Startups selected will undergo a three-month program and complete a curriculum focused on business development, strategic growth and networking. Alongside the ACA, Plug and Play will support these startups with connections to their ecosystem and potential capital.

PLUGANDPLAY

accelerateAZ
A PROGRAM OF THE ARIZONA COMMERCE AUTHORITY

The Arizona Innovation Challenge (AIC), one of the largest business plan competitions in the U.S., is designed to advance innovation and technology commercialization opportunities in Arizona by assisting early-stage ventures to scale. In FY23, **nine** companies were added to the AIC portfolio:

- 1 **CenSyn**, a bio and life sciences company in Phoenix, AZ
- 2 **EduFi**, an IT software company in Scottsdale, AZ
- 3 **Featured**, an IT software company in Scottsdale, AZ
- 4 **Glass Dynamics**, a cleantech and renewable energy company in Tucson, AZ
- 5 **KeepWOL**, an IT software company in Phoenix, AZ
- 6 **My First Nest Egg**, an IT software company in Phoenix, AZ
- 7 **Padma Agrobotics**, a bio and life sciences company in Phoenix, AZ
- 8 **Paxauris**, a bio and life sciences company in Phoenix, AZ
- 9 **Sense Neuro Diagnostics**, a bio and life sciences company in Phoenix, AZ

Innovation & Entrepreneurship

As AIC Awardees, these companies entered the Venture Ready Accelerator program, receiving non-dilutive grant funding and access to mentors, investors, potential customers and talent.

The Virtual Accelerator is a venture development program tailored to the needs of early-stage technology startups. After a brief hiatus, the Virtual Accelerator program returned in FY23, featuring its largest cohort yet: **23** individual early-stage founders and **26** paired mentoring coaches. The 12-week curriculum, hosted on the ACA Innovation Network, features weekly synchronous learning sessions, asynchronous deliverables and seminars, and access to a community of expert mentors.

Creating connectivity in Arizona's ecosystem through annual events is valuable for entrepreneurs and investors, and the ACA is proud to continue to serve as a premier partner for Arizona Technology Council, Arizona Bioindustry Association, invisionAZ, Moonshot at NACET, Phoenix Startup Week, Startup Tucson, TENWEST Impact Festival, Venture Madness by Invest Southwest, Venture Cafe Phoenix, the UNMET Arizona Investor Conference and Global Entrepreneurship Week.

INNOVATION RESEARCH PROGRAMS

In 2021, the ACA was awarded the Build Back Better grant by the Economic Development Administration. Since receiving this grant, the ACA has launched the Advanced Manufacturing Facilities Grant which provides matching funds to small businesses using Arizona State University's core facilities for semiconductor research and development. In FY23, **five** companies were awarded the Advanced Manufacturing Facilities Grant:

- 1 **BMSeed**, a biotechnology company in Phoenix, AZ
- 2 **BCactus Materials**, a semiconductor supplier in Tempe, AZ
- 3 **NanoBio**, a biotechnology company in Scottsdale, AZ
- 4 **Leap Photovoltaics**, a solar manufacturing company in Tempe, AZ
- 5 **SunFlex Solar**, a solar manufacturing company in Tempe, AZ

To promote the Advanced Manufacturing Facilities Grant, the Innovation Research team attended TechConnect in Washington D.C. and SEMICON West in San Francisco, California building strong connections in the semiconductor industry.

Innovation & Entrepreneurship

The Small Business Administration selected the Arizona Commerce Authority to administer Arizona's Federal and State Partnership Program in 2021. This program aims to increase awareness of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Programs (STTR) through outreach, technical support and financial assistance.

To educate and amplify the SBIR/STTR programs, the Innovation Research team participated in and provided content for the following Arizona Technology Council Events: 2022 Smart City and IoT Conference, 2022 SBIR Lunch + Learn, 2022 Cybersecurity Breakfast Forum, 2023 Arizona Photonics Days, 2023 MedTech Conference and 2023 Cybersecurity Summit. The Innovation Research Team also hosted the following webinars, workshops and events designed to support small businesses in various industries with the SBIR/STTR programs:

- 1 August 2022** DOD SBIR Rebranded Components Webinar
- 2 September 2022** Seeding the Way: Connecting Small Businesses to Arizona SBIR Resources Events in Tucson and Flagstaff
- 3 December 2022** One on One Consultations with an SBIR NAVSEA Program Manager
- 4 January 2023** Understanding Federal and Arizona's University R&D Tax Credit Basics Webinar
- 5 February 2023** Small Business Collaboration Event with Raytheon Technologies
- 6 March 2023** NSF SBIR Virtual Workshop Series



Innovation & Entrepreneurship

To increase outreach efforts and small business support resources, the Innovation Research Team collaborated with partners across the state including Arizona State University, University of Arizona, Northern Arizona University, Arizona Technology Council, Small Business Development Centers, the Center for Entrepreneurial Innovation, Emplifi Consulting and Independent Platforms. These partnerships enabled the ACA Innovation Research team to reach small businesses throughout Arizona and provided specific programming towards several industries.

In FY23, **18** companies were selected as AZ FAST Grant awardees. The AZ FAST Grant provides \$3,000 towards a Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) application.

- | | | |
|----------------------|--------------------------------|--------------------------------|
| 1 Argos Vision | 7 Additive Implants | 13 AdMatix |
| 2 Delta Development | 8 Control Vision | 14 Denssec ID |
| 3 Desert Platforms | 9 Airtronics | 15 DX4Liver |
| 4 Enkoat | 10 Foton X | 16 Higherwire |
| 5 Nobel Works | 11 Nasus Medical | 17 Katalyst Space Technologies |
| 6 Whitmore Solutions | 12 Resilient Software Security | 18 SaiOx |

Additionally, **five** companies were selected for the TechConnect Grant, a \$1,500 grant that helps offset the costs of attending the national SBIR conference in Washington D.C. The SBIR National Conference is an opportunity for small businesses to meet with program managers and improve their SBIR/STTR proposals and grant strategy.

- 1 Ai2IT
- 2 DC Precision Ceramics
- 3 Elect Nano
- 4 PADT
- 5 Resilient Software Security



Innovation & Entrepreneurship

INSTITUTE OF AUTOMATED MOBILITY (IAM)

During FY23, the ACA secured one of the inaugural 59 awards for the USDOT's Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program. Successfully standing out relative to the 400 other submissions, the DRIVE Arizona proposal outlined a plan to digitize Arizona's roadways with vehicle to everything (V2X) technology. The IAM team will utilize the **\$1.7M** award to develop a business case for connected vehicle innovation to improve safety, foster a mobility hub and develop next generation talent.

The IAM team moderated **six** high profile forums throughout FY23 with public and private sector representatives focusing on how emerging technologies can solve real world mobility challenges. Highlighting Arizona's core competencies in connected and automated vehicles (CAVs), discussions focused on smart work zones and data exchanges, the establishment of an advanced mobility engine in Arizona, leveraging automated vehicles (AVs) to address local mobility solutions and Intelligent Transportation Systems (ITS) to optimize infrastructure.

SCIENCE FOUNDATION ARIZONA (SFAZ)

In FY23, the SFAz team initiated three missions under the Advanced Mobility Pillar:

- ▶ **Automated Vehicle – Test and Evaluation Process (AV-TEP)**: The objective of the AV-TEP Mission is to develop a safety case-based framework that can be used by AV developers and regulators to ensure that an AV is safe to be deployed on public roads. In collaboration with Arizona State University, the Mission secured a **\$45k** grant and has published four conference papers with another six in preparation. The impact of the Mission will be ensured through standardization of the framework, along with collaboration and coordination with other research groups and the National Highway Traffic Safety Administration (NHTSA).
- ▶ **Zero-Emission Vehicle – Collision Management System (ZEV-CMS)**: The objective of the ZEV-CMS Mission is to develop procedures and training for first and second responders addressing the aftermath of a collision involving a ZEV. In collaboration with Arizona-based Inception Forensic Engineering, the impact of the Mission will be ensured through stakeholder engagement, including Arizona first and second responder organizations and UL Standards & Engagement, an organization specializing in developing and publishing consensus standards.
- ▶ **Vehicle – Strategic Coordination of Advanced Vehicle Workforce Development in Arizona (V-SCAAWDA)**: The objective of the V-SCAAWDA Mission is to (1) identify the programs and curricula related to connected and automated vehicles (CAVs) and zero-emission vehicles (ZEVs) offered at Arizona premier educational institutions, (2) conduct workshops with workforce development stakeholders (including industry, academia and government) to identify gaps and opportunities for CAV/ZEV workforce development, and (3) strategically coordinate the development of innovative CAV/ZEV workforce development initiatives.

Innovation & Entrepreneurship

ARIZONA BROADBAND

In February 2022, an investment of **\$69M** to expand broadband connectivity along Interstate 40 West from Flagstaff to the California border was announced. In partnership with the Arizona Department of Transportation (ADOT), the expansion sustains the momentum of the Statewide Middle-Mile Network, which is currently underway adding connectivity along Interstate 17 and Interstate 19.

Arizona's Broadband Equity, Access and Deployment (BEAD) program is the largest broadband investment in the state's history with the principal objective of universal broadband access for all. During FY23, the ACA hosted stakeholder engagements with state, local, tribal governments and Internet service providers (ISPs) to gather input on the deployment of **\$993.1M** BEAD funding for broadband infrastructure across the state. An analysis of the FCC broadband map was conducted, and a challenge was submitted identifying over 66,000 locations for possible inclusion in the State Broadband Map. The Arizona Broadband team began work on the BEAD Five-Year Action Plan as the first document required in the National Telecommunications and Information Administration (NTIA) planning process with an estimated completion of August 2023.

The ACA also began work on the Arizona Digital Equity Plan as required by the NTIA. In FY23, the initiative included **41** statewide community forums, held in-person and virtually, to gather feedback from stakeholders. Community Roundtables were also held by the Arizona Broadband team to further the discussion with stakeholders as the Digital Equity Plan was being developed. The Digital Equity Plan will be submitted to the NTIA in March 2024.

Finally, the ACA received **\$99.4M** to implement two broadband infrastructure programs that aim to provide reliable internet access to areas of the state lacking adequate service. The Arizona Broadband Development Rural Infrastructure Grant program (ABDG-Rural) is a competitive grant program designed to expand high-speed broadband in the state's thirteen rural counties. The Arizona Broadband Development Urban Infrastructure Grant program (ABDG-Urban) is a competitive grant program designed to improve and expand broadband infrastructure in the state's two urban counties. In FY23, the ACA solicited proposals and selected **20** recipients for this funding—**14** rural projects were awarded and **6** urban projects were awarded.



Semiconductor Strategy

Increasingly, innovation is driving economic development, especially in high-tech sectors such as semiconductors. Reaping the benefits of adaptive innovation clusters requires long-term attention and cultivation. The ACA works in close collaboration with industry, research and nonprofit partners to develop deep expertise in targeted industries, elevating the state's ability to grow high-tech industries and create new opportunities for Arizona businesses and residents.

NATIONAL SEMICONDUCTOR ECONOMIC ROADMAP (NSER)

In December 2022, the ACA published the National Semiconductor Economic Roadmap (NSER), a national, industry-led initiative focused on enhancing U.S. competitiveness in the semiconductor industry in anticipation of the passage of the CHIPS Act. This first-of-its-kind roadmap crafts a blueprint to future-proof semiconductor manufacturing in the U.S. More than **80** industry leaders, educational institutions and public sector leaders from states around the nation came together under **5** committees and held **28** meetings to collaborate and develop the NSER, which outlines goals and objectives across four key pillars: infrastructure, supply chain, workforce and entrepreneurship. The NSER establishes a baseline across these four domains using rigorous data and analyses. The ACA continues to advance NSER in collaboration with private sector, state and federal partners.

ARIZONA SEMICONDUCTOR TASK FORCE

In August 2022, the ACA brought together the Arizona Semiconductor Task Force coalition of more than **120** partner organizations from private industry, academia and the public sector to compete for CHIPS Act funding. Under the ACA's leadership, the Task Force is focused on helping companies navigate their applications for direct incentives, including support on developing workforce and childcare plans. In addition, the Task Force is pursuing federal R&D programs for Arizona including the National Semiconductor Technology Center (NSTC), the National Advanced Packaging Manufacturing Program (NAPMP), Manufacturing USA Institutes and the Department of Defense Microelectronics Commons Program. Three subgroups have been formed under the Task Force to focus in depth on different workstreams including Advanced Packaging, Workforce and Supply Chain.



Workforce Development

Access to a steady pipeline of skilled employees continues to be a top area of focus as companies evaluate locations for growth. The ACA and its Office of Economic Opportunity Workforce team are dedicated to ensuring that the state meets the workforce needs of businesses and to helping job seekers connect to training resources and career opportunities.

FUTURE48 WORKFORCE ACCELERATORS



In June 2023, Governor Katie Hobbs announced the first two Future48 Workforce Accelerators, a state-led initiative to equip community colleges with the latest equipment and curriculum to get workers on production lines quickly.

The Future48 Workforce Accelerator at Arizona Western College in Yuma offers workforce training in electrical technology, advanced manufacturing, broadband fiber optics and solar installation in support of the region's aerospace and defense industries. The partnership includes a 5,600-square-foot expansion of the Wellton Manufacturing Training Center on the Arizona Western College campus and industry partners include TRAX International, the United States Army Yuma Proving Ground, the General Motor Proving Grounds, the Gowan Company, Allo Fiber, D&H Electric, Sunray Electric, Yuma Electric and more.

The Future48 Workforce Accelerator at Mohave Community College in Kingman supports Mohave County's growing manufacturing, transportation and mining industries. Industry partners include NUCOR Steel, Kingman and Mohave Manufacturing Association, Progressive Pipe, Arizona Sommers Cooling and Heating and more. The 30,000 square-foot facility will be located at Kingman Airport and Industrial Park and will be completed in early 2025.

Additional workforce accelerator announcements will be made in the coming months to support semiconductors, battery manufacturing, aerospace and defense and more.

ARIZONA CAREER READINESS CREDENTIAL (ACRC)

Developed in collaboration with private-sector employers, ACRC enhances the labor pool by equipping and certifying job seekers with the foundational academic and professional skills that employers value. In FY23, the ACRC Program added a supplemental component to validate job seekers' digital literacy skills.

Results included:

22,287 hours logged on the e-learning platform

4,141 new job seekers enrolled into the program

14,105 measurable skills gained

4,380 skill-specific assessments administered

656 Arizona Career Readiness Credentials earned

1,139 additional separate Professional Skills Certificates earned

179 additional separate Digital Literacy Skill Certificates earned

90% pass rate was achieved by participants



Workforce Development

SCITECH INSTITUTE

The Arizona STEM ecosystem is a grassroots network that engages all aspects of our communities in cross-collaboration, harnessing each sector's unique contributions to build a strong STEM culture and workforce. The hub's **500+** members hail from educational institutions, libraries and community centers, science centers and museums, local businesses, city and town governments and more. Serving as the Ecosystem's backbone organization, the SciTech Institute supports **seven** STEM hubs and **seven** working groups across the state. During FY23, the SciTech Institute welcomed three STEM Hub Coordinators to facilitate local STEM engagement in Coconino, Yavapai and Pima Counties and launched the first STEM Hub Steering Committee in the Phoenix West Valley.

The Arizona SciTech Festival, SciTech Institute's cornerstone initiative, is a statewide celebration of STEM that seeks to foster awareness of the state's STEM economy and inspire Arizonans of all ages to pursue STEM-related fields of study and careers. Presented by the ACA, Arizona Technology Council, Arizona Science Center, Arizona State University, the University of Arizona, Arizona Board of Regents and 23 additional sponsors, the 2023 Arizona SciTech Festival's **85+** collaborators engaged **235,000+** participants in **51** signature events in more than **50** Arizona cities, towns and counties between February and April.

The Chief Science Officers (CSO) program trains 6-12th grade youth as STEM leaders and ambassadors. At the program's core is a commitment to teaching youth the skills they need to be lifelong leaders and active citizens. CSOs practice their skills by a) developing and implementing yearly action plans (events, activities, projects) for their peers and communities and b) presenting the program, their action plans and impacts to school boards, chambers of commerce, civic leaders, businesses and industry. The 2022-2023 cohort comprised **814** U.S. CSOs in **15** states (AL, AZ, CA, FL, GA, ID, IL, MI, NC, NY, OH, OR, PA, TX and UT) and **221** International CSOs in Columbia, Kenya, Kuwait, Guanajuato and Sonora, Mexico. Importantly, the program expands access to untapped, underserved youth.

ARIZONA WORKFORCE EVALUATION DATA SYSTEM

The ACA's Office of Economic Opportunity team expanded the State Workforce Evaluation Data System in FY23 to include a data scientist and a cloud operations engineer who have both made significant improvements to the data system. This data system can support the assessment and improvement of programs using longitudinal analysis of administrative records linked across government programs and educational institutions. To enable Pima Community College to carry out a study on student outcomes using the data system, outside counsel appointed by the Office of the Arizona Attorney General created the necessary data use agreement that is compliant with the law.

Marketing Arizona

Promoting Arizona’s unique value proposition to companies globally, as well as communicating the services and programs available to all Arizona businesses, is a critical component of the ACA’s efforts to grow and strengthen our economy statewide. In Fiscal Year 2023, Perfect Balance continued as the brand awareness campaign targeted to c-suite executives in key markets and industries across the globe.

EVENTS & TRADE SHOWS

247 DOMESTIC EVENTS
15 INTERNATIONAL EVENTS
133 WEBINAR/VIRTUAL EVENTS

PAID MEDIA

18.17M TOTAL IMPRESSIONS
2.13M TRADITIONAL MEDIA IMPRESSIONS
17.06M DIGITAL MEDIA IMPRESSIONS

WEBSITE VISITS

667,957 VISITS TO AZCOMMERCE.COM
A 24% INCREASE Y-O-Y

SOCIAL MEDIA



1,943,931 TOTAL SOCIAL MEDIA IMPRESSIONS
65,520 SOCIAL MEDIA ENGAGEMENTS
A 29% INCREASE Y-O-Y
2,015 TOTAL SOCIAL MEDIA POSTS
A 8% INCREASE Y-O-Y

EMAIL METRICS

5,413,855 EMAILS DELIVERED
18.74% OPEN RATE

PUBLIC RELATIONS

earned media
7,703 ARTICLES WITH A TOTAL OF
5.62B IMPRESSIONS



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TABLE 1 – FISCAL YEAR 2023 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]
APPLIED RESEARCH CENTERS AND INSTITUTES FUND				
3	N/A	N/A	N/A	\$400,000
ARIZONA COMPETES FUND				
13	3,923	\$56,755	\$12,907,275,832	\$13,185,000
COMPUTER DATA CENTER INCENTIVE PROGRAM				
7	N/A	N/A	\$1,100,000,000+	N/A
HEALTHY FOREST ENTERPRISE INCENTIVE PROGRAM				
4	N/A	N/A	\$1,532,538	N/A
INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM				
0	N/A	N/A	\$0	N/A
MILITARY REUSE ZONE INCENTIVE PROGRAM				
13	N/A	N/A	\$102,942,064	\$5,157,573
MOTION PICTURE PRODUCTION INCENTIVE PROGRAM				
0	0	N/A	\$0	\$0
QUALIFIED FACILITY INCENTIVE PROGRAM				
34	5,804	N/A	\$9,050,035,321	\$118,796,909
QUALITY JOBS INCENTIVE PROGRAM				
20	2,305	\$64,942	\$73,500,000	\$20,745,000
TOTALS/AVERAGE [4]	12,032	\$59,785	\$23,235,285,754	\$158,284,483

[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, confidential, 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 2023 master client list (at page 8). The data sets are not the same, however, for several reasons. Most significantly, not all businesses represented on the ACA's Fiscal Year 2023 master client list applied for incentives in Fiscal Year 2023 (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 2023 master client list).

TABLE 2 – FISCAL YEAR 2023 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				
48	2,565	\$58,848	\$5,471,177,488	\$3,703,677
ANGEL INVESTMENT INCENTIVE PROGRAM				
65	N/A	N/A	N/A	\$1,713,869
COMPUTER DATA CENTER INCENTIVE PROGRAM				
1	N/A	N/A	\$200,000,000+	N/A
HEALTHY FOREST ENTERPRISE INCENTIVE PROGRAM				
8	N/A	N/A	\$71,988,015	\$343,064
INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM				
2	N/A	N/A	\$200,000,000+	N/A
MILITARY REUSE ZONE INCENTIVE PROGRAM				
5	N/A	N/A	\$11,584,359	\$404,248
MOTION PICTURE PRODUCTION INCENTIVE PROGRAM				
0	0	N/A	\$0	\$0
QUALIFIED FACILITY INCENTIVE PROGRAM				
11	3,074	\$84,297	\$2,430,242,548	\$55,899,463
QUALITY JOBS INCENTIVE PROGRAM				
42	1,642	\$72,907	\$308,501,208	\$12,294,000
RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM				
68	N/A	N/A	\$87,178,103	\$4,999,999
TOTALS/AVERAGE [4]	7,281	\$72,763	\$8,780,671,721	\$79,358,321

[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 or the Department of Insurance and Financial Institutions 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-approval 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 confidential, or 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 2023; as such, they may include jobs created and capital investment made prior to Fiscal Year 2023.

[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 or the Department of Insurance and Financial Institutions 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 or the Department of Insurance and Financial Institutions, 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 2023 master client list (at page 8). This is primarily because the Fiscal Year 2023 master client list includes only projects that were announced in Fiscal Year 2023, 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 microenterprises, rural businesses, small businesses and business development that enhance economic development. Currently, five ACA grant programs are funded through the ACF: Deal-closing Grants (A-1), Arizona Innovation Challenge Grants (AIC), Rural Economic Development Grants (REDG), Arizona Small Business Development Center Grant (AZSBDCG) and Other Specialty Grants.

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 industries identified by North American industry classification system code sectors 31, 32 and 33; 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 identified by North American industry classification system code sector 42 if 65% of inventory is shipped out of state. Pursuant to A.R.S. § 41-1545.02, 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 throughout the term of the grant agreement.

TABLE 3A – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2023 PRE-APPROVED A-1 GRANTS

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
The Reinalt-Thomas Corporation	250	\$80,704	\$200,000,000	\$1,000,000
Ross Dress for Less, Inc.	1,308	\$40,321	\$607,275,832	\$500,000
TSMC Arizona Corporation	1,900	\$69,410	\$12,100,000,000	\$10,000,000
FY 2023 TOTALS/AVERAGE	3,458	\$59,224	\$12,907,275,832	\$11,500,000

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 2012-2023	21,610	\$84,319	\$9,747,085,256	\$41,455,743

TABLE 3A – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2023 POST-APPROVED A-1 GRANTS

FY 2023 APPLICANT (POST-APPROVED) [1]	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY	
Republic Services Customer Resource Center West, LLC	FY 2023 Cumulative	-112 167	N/A \$41,569	\$0 \$6,942,023	\$0 \$0
NAGRA USA, Inc.	FY 2023 Cumulative	0 117	N/A \$137,907	\$1,224,766 \$10,005,256	\$0 \$53,766
Caterpillar Global Mining, LLC	FY 2023 Cumulative	0 455	\$0 \$132,932	\$0 \$50,250,600	\$0 \$4,000,000
ADP, LLC	FY 2023 Cumulative	0 1,013	\$0 \$49,938	\$0 \$33,534,665	-\$11,400 \$806,933
MUFG Union Bank N.A.	FY 2023 Cumulative	0 1,535	\$0 \$93,341	\$0 \$107,384,934	\$0 \$3,630,523
Bank of the West	FY 2023 Cumulative	254 908	\$92,167 \$79,841	\$0 \$30,595,764	\$0 \$2,581,600
Benchmark Electronics, Inc.	FY 2023 Cumulative	-16 270	N/A \$137,631	\$0 \$115,300,254	\$818,792 \$818,792
Deloitte Consulting, LLP	FY 2023 Cumulative	-25 734	N/A \$98,414	\$5,283,152 \$64,315,917	\$0 \$1,466,250
Boeing Company	FY 2023 Cumulative	-91 663	N/A \$103,591	\$0 \$26,010,823	\$7,500 \$7,500
Nikola Corporation	FY 2023 Cumulative	-24 809	N/A \$129,774	\$164,136,427 \$443,062,881	\$0 \$2,000,000
Universal Electronics, Inc.	FY 2023 Cumulative	-2 53	N/A \$160,907	\$913,930 \$4,715,217	\$0 \$132,194
Allstate Insurance Company	FY 2023 Cumulative	-193 687	N/A \$79,757	\$0 \$34,465,120	\$0 \$565,726
Mark Anthony Brewing, Inc.	FY 2023 Cumulative	58 275	\$69,081 \$60,762	\$97,323,913 \$464,805,913	\$0 \$1,025,000
Dot Foods, Inc.	FY 2023 Cumulative	18 51	\$65,555 \$55,700	\$0 \$11,745,720	\$87,500 \$87,500
Align Technology, Inc.	FY 2023 Cumulative	-5 55	N/A \$535,562	\$1,433,222 \$5,533,222	\$130,236 \$220,690
Viavi Solutions, Inc.	FY 2023 Cumulative	53 94	\$85,824 \$200,868	\$18,325,421 \$82,285,320	\$0 \$0
Commercial Metals Company	FY 2023 Cumulative	74 159	\$50,865 \$67,619	\$275,496,162 \$587,448,887	\$654,730 \$821,627
Rauch North America, Inc.	FY 2023 Cumulative	175 386	\$64,337 \$61,776	\$0 \$311,841,350	\$504,951 \$504,951
The Reinalt-Thomas Corporation	FY 2023 Cumulative	39 39	\$97,780 \$97,780	\$31,145,974 \$31,145,974	\$0 \$0
Ross Dress for Less, Inc.	FY 2023 Cumulative	0 0	\$0 \$0	\$322,540,221 \$322,540,221	\$0 \$0
TSMC Arizona Corporation	FY 2023 Cumulative	796 796	\$80,253 \$80,253	\$4,427,182,745 \$4,427,182,745	\$0 \$0
FY 2023 TOTALS/AVERAGE [1]		999	\$78,980	\$5,345,005,933	\$2,192,309
CUMULATIVE TOTALS/AVERAGE [1]		9,266	\$93,513	\$7,171,112,806	\$18,723,052

[1] Grants with activity in Fiscal Year 2023.

MICROENTERPRISES, RURAL BUSINESSES, SMALL BUSINESSES AND BUSINESS DEVELOPMENT GRANTS (A-2)

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 2023 AIC GRANT AWARDS

FISCAL YEAR 2023 AWARDEES
CenSyn, Inc. creates a medical device platform for brain health screening for seizures, concussions and psychiatric health.
EduFi PBC is a fintech company with a specialized debit card and purpose-built app for 529 plan owners and beneficiaries.
Glass Dyenamics, Inc. produces glass that tints and untints upon application of an electric charge which modulates home energy penetration through windows.
KeepWOL, Inc. created a gamified learning platform for teams that enables employee engagement and retention insights.
My First Nest Egg, LLC gamifies healthy financial habits for kids ages 3-12 using a patent-pending system to promote earning, saving, and generosity.
Padma AgRobotics, LLC is an agricultural robotics company that designs and manufactures AI-based robots for weed removal, thinning, harvesting and other farming operations.
Paxauris, LLC produces innovative hearing protection, specifically, a comfortable, easy-to-use, fluidic earplug for people in high-noise environments.
Sense Diagnostics, Inc. produces a non-invasive brain scanner that can assess and monitor the neurological status of a patient in real time, for stroke and traumatic brain injury.
Terkel, Inc. produces a question and answer site that helps marketers build visibility online by sharing their expertise.

TABLE 3B – ARIZONA COMPETES FUND PROGRAM · FISCAL YEAR 2023 PRE-APPROVED AIC GRANTS

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS [1]	AVERAGE WAGE OF PROJECTED NEW JOBS [1]	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
2023 TOTALS	N/A	N/A	N/A	\$1,350,000

[1] Beginning with the FY19 cohort, the grantee's performance milestones are tied to passage of coaching sessions through the Venture Ready Program and therefore do not involve set job creation milestones. Job Creation will be tracked and will be recorded upon close of the grant.

TABLE 3B – ARIZONA COMPETES FUND PROGRAM · FISCAL YEAR 2023 POST-APPROVED AIC GRANTS

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2023 TOTALS	22	\$111,659	\$702,323	\$1,176,368

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

FY 2023 APPLICANT (POST-APPROVED)	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 2012-2023	849	\$71,324	\$23,282,488	\$23,307,731

RURAL ECONOMIC DEVELOPMENT GRANTS (REDG)

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 as defined in A.R.S. § 41-1545.

These grants are awarded by the Rural Business Development Advisory Council in competitive grant cycles. 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 2023 PRE-APPROVED REDG GRANTS

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
N/A	N/A	N/A	N/A	N/A
TOTALS/AVERAGE	N/A	N/A	N/A	N/A

TABLE 3C – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2023 POST-APPROVED REDG GRANTS

FY 2023 APPLICANT (POST-APPROVED) [1]	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
N/A	N/A	N/A	N/A	N/A
FY23 TOTALS/AVERAGE	N/A	N/A	N/A	N/A

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

CUMULATIVE INCENTIVE ACTIVITY	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	CAPITAL INVESTMENT	CUMULATIVE ACTUAL INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
TOTAL GRANTS AWARDED FY 2012-2023	1,840	\$32,282	\$201,402,000	\$6,387,952



ARIZONA SMALL BUSINESS DEVELOPMENT CENTER GRANT (AZSBDCG)

The AZSBDCG is intended to help communities sustain economic development projects that focus on job growth and capital investment by leveraging the Small Business Development Center (SBDC) network coordinated by the Maricopa County Community College District (MCCCD). In order to qualify for Grant Payments, SBDC's across the State must assist with and report (among other metrics) job creation, wages, capital investment, and community engagement activity resulting from assistance funded by the Grant.

TABLE 3D – AZSBDC GRANTS FISCAL YEAR 2023 AND CUMULATIVE ACTIVITY

GRANT YEAR	GRANTEE	PROPOSED GRANT AWARD	ACTUAL GRANT AWARD TO-DATE	JOB CREATION ESTIMATED	ACTUAL NEW JOBS CREATED	ESTIMATED AVERAGE WAGE	AVERAGE WAGE OF NEW JOBS	NEW CAPITAL INVESTMENT
2023	Maricopa County Community College District	\$335,000	\$335,000	465	1,544	\$38,397	\$45,069	\$125,469,232
CUMULATIVE TOTAL/AVERAGE		\$1,383,750	\$1,292,000	2,727	4,701	\$37,409	\$38,141	\$479,541,149

OTHER GRANT PROGRAMS

The ACA may create specialty grant programs from time to time. Those programs are summarized below.

TABLE 3E – OTHER GRANT PROGRAMS FISCAL YEAR 2023 AND CUMULATIVE ACTIVITY

GRANT YEAR	GRANTEE	PROPOSED GRANT AWARD	ACTUAL GRANT AWARD	ESTIMATED JOBS RETAINED	ACTUAL JOBS RETAINED[2]
2023	N/A	N/A	N/A	N/A	N/A
CUMULATIVE TOTALS/AVERAGE [1]		\$150,000	\$150,000	164	309

ANGEL INVESTMENT INCENTIVE PROGRAM

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). This certification allows investors to claim tax credits on their eligible investments and receive favorable Arizona income tax treatment on related capital gains, pursuant to A.R.S. § 43-1022(21).

ACA may certify \$2.5 million of tax credits annually (plus any unused credits from prior years) from July 1, 2021 through June 30, 2031 for qualified investments made in qualified small businesses. ACA certifies tax credits on a year-round basis up to the cap on qualifying investment in certified small businesses totaling at least \$25,000 that are reported to the ACA within 90 days of the date of investment.

The ACA certifies small businesses that are eligible to receive Angel Investments. A Qualified Small Business must be either a corporation, limited liability company, partnership or other business entity exclusive of a sole proprietorship. To be certified for a 12-month period, the business must be in the early stage of development. It must also maintain a portion of its operations in Arizona and employ at least two full-time equivalent Arizona residents.

TABLE 4 – FISCAL YEAR 2023 APPROVED INVESTMENTS

Certified Investor Applications	65
Unique Investors Receiving Tax Credits	58
Investors' Investments in Certified Companies	\$5,673,683
Certified Companies Receiving Investments	27
Tax Credits Approved	\$1,713,869

TABLE 4 – FISCAL YEAR 2023 APPROVED QUALIFIED SMALL BUSINESSES (QSB)

FY 2023 APPLICANT (APPROVED QSB)	CERTIFICATION DATE	FY 2023 APPLICANT (APPROVED QSB)	CERTIFICATION DATE
Scintillation Nanotechnologies, Inc.	7/12/22	Purity ReSource, Inc.	4/10/23
Exceptional HEROES, LLC	7/20/22	NuvOx Therapeutics, Inc.	4/13/23
Miller Scientific, Inc.	7/21/22	Abstrakt Corp	4/17/23
Higher Wire, Inc.	7/21/22	Algoface, Inc.	4/18/23
Zen Shuttles, LLC	7/25/22	Zark Parking Solutions, Inc.	4/26/23
TapRoot Interventions & Solutions, Inc.	7/28/22	Promineo Education, LLC DBA Promineo Tech	5/2/23
Nurture Boss, Inc.	8/1/22	Reelay Meetings, LLC	5/8/23
Bluetail, Inc.	8/8/22	VaxSyna, Inc.	5/31/23
Botco.ai, Inc.	8/19/22	Buzze, Inc.	6/6/23
BacVax, Inc.	8/20/22	Motion Warriors, LLC	6/12/23
VitaTouch, Inc.	8/28/22	iNaira Healthcare Technologies, Inc.	6/13/23
Marro Technologies, Inc.	9/2/22	Anuncia Medical, Inc.	6/28/23
YellowBird Holdings, Inc.	9/20/22	Hamilton Distillers Group, Inc. dba Whiskey Del Bac	6/30/23
PWR Lab, Inc.	9/23/22	TOTAL	43
Delta Development Team, Inc.	9/26/22		
Movement Interactive, Inc.	9/30/22		
CIRQ PLUS, Inc.	10/4/22		
Hands Down, Inc.	11/18/22		
Terkel, Inc.	11/21/22		
Forced Physics, LLC	12/2/22		
Algoface, Inc.	12/15/22		
Airth, Inc.	12/28/22		
Bezyl, Inc.	12/31/22		
Dasheboard AI, Inc. dba Sinatra	1/11/23		
Lightsense Technology, Inc.	2/16/23		
Ambr Group, LLC	3/1/23		
OOROO VISTOSO, LLC dba Vistoso Automotive	3/9/23		
K16 Solutions, Inc.	3/10/23		
Avery Therapeutics, Inc.	4/4/23		
Trulite Health, Inc.	4/5/23		



APPLIED RESEARCH CENTERS AND INSTITUTES FUND

The Arizona Commerce Authority (ACA) administers the Applied Research Centers and Institutes (ARC) grant program. The ACA has received legislative appropriations to provide funds for applied research centers and institutes that specialize in blockchain technology, wearable technology and other targeted technology disciplines as legislatively provided. ARC funds may be awarded to any applied research center or institute provided they (i) receive matching funding from sources other than the state, (ii) collaborate with universities, nonprofit business associations, health science research centers, institutes or other technology businesses that do business in Arizona and (iii) research conducted is in support of a defined product or service for commercial use.

ARCs report the amount of monies received and expended or encumbered to the ACA annually. Any grant monies received by an ARC that remain unexpended and unencumbered must be returned to the ACA.

LEGISLATIVE APPROPRIATIONS RECEIVED PURSUANT TO:

Laws 2019, Section 129 of HB 2747	\$2,500,000
Laws 2021, Chapter 408, Section 17 of SB 1823	\$5,000,000
Laws 2022, Chapter 313, Section 19 of HB 2862	\$5,000,000
Laws 2023, Chapter 313, Section 19 of SB 1720	\$2,500,000
TOTAL APPROPRIATED	\$15,000,000

TABLE 5A – APPLIED RESEARCH CENTERS AND INSTITUTES • APPROVED GRANTS

ARC GRANTEE [1]	FISCAL YEAR	GRANT AMOUNT	RESEARCH TECHNOLOGY
Energy Blockchain Consortium, LLC	FY2020	\$250,000	Blockchain
Partnership for Economic Innovation	FY2020	\$250,000	Blockchain
Partnership for Economic Innovation	FY2020	\$250,000	Blockchain
Arizona Board of Regents - University of Arizona	FY2020	\$366,507	Wearables
Partnership for Economic Innovation	FY2020	\$383,493	Wearables
Institute of Automated Mobility	FY2020	\$250,000	Automated Mobility
Institute of Automated Mobility	FY2021	\$250,000	Automated Mobility
Energy Blockchain Consortium, LLC	FY2022	\$250,000	Blockchain
Arizona Board of Regents - University of Arizona	FY2022	\$394,497	Wearables
Arizona Board of Regents - University of Arizona	FY2022	\$499,020	Wearables
Partnership for Economic Innovation	FY2022	\$248,209	Wearables
Partnership for Economic Innovation	FY2022	\$249,998	Wearables
Partnership for Economic Innovation	FY2022	\$224,560	Wearables
Partnership for Economic Innovation	FY2022	\$112,578	Wearables
Partnership for Economic Innovation	FY2022	\$245,227	Wearables
Partnership for Economic Innovation	FY2022	\$43,800	Wearables
Partnership for Economic Innovation	FY2022	\$232,200	Wearables
Partnership for Economic Innovation	FY2022	\$249,911	Wearables

Table 5a – Applied Research Centers And Institutes • Approved Grants continued on next page >



TABLE 5A – APPLIED RESEARCH CENTERS AND INSTITUTES • APPROVED GRANTS (CONTINUED)

ARC GRANTEE [1]	FISCAL YEAR	GRANT AMOUNT	RESEARCH TECHNOLOGY
Partnership for Economic Innovation	FY2023	\$200,000	Blockchain
Partnership for Economic Innovation	FY2023	\$50,000	Blockchain
Partnership for Economic Innovation	FY2023	\$150,000	Blockchain
FY 2023 TOTAL [2]		\$400,000	
CUMULATIVE TOTAL [1]		\$5,150,000	

[1] One Grantee returned funds unused.

[2] Grants in Fiscal Year 2023.

COMPUTER DATA CENTER TAX 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 2023 PRE-APPROVED
COMPUTER DATA CENTER INCENTIVE PROGRAM**

FY 2023 APPLICANT (PRE-APPROVED)	MINIMUM STATUTORY CAPITAL INVESTMENT [1]
Aligned Data Centers (Glendale) PropCo, LLC	\$200,000,000+
DCX Goodyear 1, LLC	\$50,000,000+
Google, Inc.	\$200,000,000+
Microsoft Corporation	\$200,000,000+
Quality Technology Services, LLC	\$200,000,000+
SI PHXL2, LLC	\$50,000,000+
Vantage Data Centers AZ11, LLC	\$200,000,000+
TOTAL	\$1,100,000,000+

[1] For purposes of this table, the applicants “certified” in FY 2023 based on commitments for future required investments were deemed to have been “pre-approved.” Correspondingly, the amount identified in the “Minimum Statutory 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 2023 POST-APPROVED
COMPUTER DATA CENTER INCENTIVE PROGRAM**

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT [1]
MECP1 MESA 1, LLC	\$200,000,000+
TOTAL	\$200,000,000+

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

**TABLE 6 - CUMULATIVE COMPUTER DATA
CENTER INCENTIVE PROGRAM ACTIVITY**

APPLICANT POST-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT [1]
FY 2014	\$1,000,000,000+
FY 2015	\$250,000,000+
FY 2016	\$0
FY 2017	\$0
FY 2018	\$0
FY 2019	\$200,000,000+
FY 2020	\$300,000,000+
FY 2021	\$50,000,000+
FY 2022	\$350,000,000+
FY 2023	\$200,000,000+
TOTAL	\$4,399,817,864+

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

HEALTHY FOREST INCENTIVE PROGRAM

The Healthy Forest 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.
- Production Income Tax Credit – Arizona income tax credit equal to: \$10,000 for the first twenty thousand tons of qualifying forest products the taxpayer processes in a calendar year, and \$5,000 for every ten thousand tons thereafter.



TABLE 7 – FISCAL YEAR 2023 PRE-APPROVED HEALTHY FOREST INCENTIVE PROGRAM

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS [1]	AVERAGE WAGE OF NEW JOBS PROJECTED [1]	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Mann's Clean-Up Services, Inc.	N/A	N/A	[2]	N/A
Canyon Creek Logging, Inc.	N/A	N/A	[2]	N/A
Fultz Contracting, LLC	N/A	N/A	[2]	N/A
Suarez Forestry, LLC	N/A	N/A	[2]	N/A
TOTALS/AVERAGE	[1]	[1]	\$1,532,538	N/A

[1] The Income Tax Credit benefit was removed September 23, 2022 eliminating the need to report job creation or wages.

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

TABLE 7 – FISCAL YEAR 2023 POST-APPROVED HEALTHY FOREST INCENTIVE PROGRAM

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Mann's Clean-Up Services, Inc.	N/A	N/A	[2]	[2]
Canyon Creek Logging, Inc.	N/A	N/A	[2]	[2]
Novo BioPower, LLC	N/A	N/A	[2]	[2]
Dakota Logging, LLC	N/A	N/A	[2]	[2]
Southwest Forest Products, Inc.	N/A	N/A	[2]	[2]
A3R Trucking, LLC	N/A	N/A	[2]	[2]
Restoration Forest Products Group, LLC	N/A	N/A	[2]	[2]
Chippin-In, LLC	N/A	N/A	[2]	[2]
TOTALS/AVERAGE	[1]	[1]	\$71,988,015	\$343,064

[1] The Income Tax Credit benefit was removed September 23, 2022 eliminating the need to report job creation or wages.

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

TABLE 7 – CUMULATIVE HEALTHY FOREST INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2011	N/A	N/A	\$1,057,587	\$124,643
FY 2012	N/A	N/A	\$995,624	\$23,160
FY 2013	N/A	N/A	\$806,669	\$11,997
FY 2014	N/A	N/A	\$180,425	\$43,559

Table 7 – Cumulative Healthy Forest Incentive Program Activity continued on next page >

TABLE 7 – CUMULATIVE HEALTHY FOREST INCENTIVE PROGRAM ACTIVITY (CONTINUED)

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2015	N/A	N/A	\$4,865,729	\$228,234
FY 2016	N/A	N/A	\$7,027,145	\$403,158
FY 2017	N/A	N/A	\$8,247,075	\$478,638
FY 2018	N/A	N/A	\$6,299,977	\$620,093
FY 2019	N/A	N/A	\$9,633,507	\$591,301
FY 2020	N/A	N/A	\$16,908,074	\$348,488
FY 2021	N/A	N/A	\$4,463,182	\$404,234
FY 2022	N/A	N/A	\$22,441,134	\$1,046,304
FY 2023	N/A	N/A	\$71,988,015	\$343,064
TOTALS/AVERAGE	[1]	[1]	\$154,914,143	\$4,666,873

[1] The Income Tax Credit benefit was removed September 23, 2022 eliminating the need to report job creation or wages. This information was confidential pursuant to A.R.S. § 41-1516(H).

INTERNATIONAL OPERATIONS CENTER TAX 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.
- Invest \$100 million in one or more Renewable Energy Facilities ("REF") in Arizona that produce energy for self-consumption using renewable energy resources within a three-year period beginning the date of the initial application or by December 31, 2030.

TABLE 8 – FISCAL YEAR 2023 PRE-APPROVED INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

FY 2023 APPLICANT (PRE-APPROVED)	MINIMUM STATUTORY CAPITAL INVESTMENT
N/A	\$0
TOTAL	\$0

TABLE 8 – FISCAL YEAR 2023 POST-APPROVED INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT [1]
Apple, Inc.	\$100,000,000+
Microsoft Corporation	\$100,000,000+
TOTAL	\$200,000,000+

[1] The amount identified in the "Actual Capital Investment" column is the minimum amount of aggregate capital investment the applicant must make in order to sustain its certification. This amount may include a carryover from excess investment in a prior year. The actual amount is confidential pursuant to A.R.S. § 41-1520(I).

TABLE 8 – CUMULATIVE INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT [1]
FY 2016	N/A
FY 2017	N/A
FY 2018	\$100,000,000+
FY 2019	\$100,000,000+
FY 2020	\$100,000,000+
FY 2021	\$100,000,000+
FY 2022	\$100,000,000+
FY 2023	\$200,000,000+
TOTAL	\$700,000,000+

[1] The amount identified in the "Actual Capital Investment" column is the minimum amount of aggregate capital investment per year the applicant must make in order to sustain its certification. This amount may include a carryover from excess investment in a prior year. The actual amount is confidential pursuant to A.R.S. § 41-1520(I).

MOTION PICTURE PRODUCTION INCENTIVE PROGRAM

The Motion Picture Production Incentive Program provides a refundable income tax credit to qualified Motion Picture Production Companies that produce one or more Motion Pictures in Arizona.

A Motion Picture Production Company is eligible for the tax credits upon completion of the Motion Picture Production and compliance with A.R.S. § 41-1517 beginning calendar year 2023 through 2043. The Authority may not pre-approve tax credits exceeding \$75,000,000 in calendar year 2023, \$100,000,000 in calendar year 2024 and \$125,000,000 in calendar year 2025 and each year thereafter. Additionally, the Authority may not pre-approve tax credits exceeding more than \$25,000,000 of each calendar year cap for Motion Picture Productions that do not use a Qualified Production Facility.

To qualify for tax credits, a Motion Picture Production Company must do either of the following:

- Use a Qualified Production Facility in Arizona to produce the Motion Picture Production OR
- If the portion of the Motion Picture Production filmed in Arizona, is filmed at a Practical Location, produce and film the Motion Picture Production primarily in Arizona and perform all preproduction, postproduction and editing at an Industry Standard Facility in Arizona, if such a facility for those functions is available.

The amount of the tax credit for a qualified Motion Picture Production Company is an amount equal to a percentage of the total amount of the Qualified Production Costs as approved by the Authority, as follows:

- 15% tax credit for Production Costs up to \$10,000,000
- 17.5% tax credit for Production Costs more than \$10,000,000 but less than \$35,000,000
- 20% tax credit for Production Costs more than \$35,000,000

An Additional 2.5% of the Motion Picture Production Company's Production Labor costs related to positions held by residents of Arizona as approved by the Authority.

An Additional 2.5% of the Motion Picture Production Company's Qualified Production Costs if the Motion Picture Company either:

- Uses a Qualified Production Facility in Arizona to produce the Motion Picture Production OR
- If the portion of the Motion Picture Production filmed in Arizona, is filmed primarily at a Practical Location, produces and films the Motion Picture Production primarily in Arizona and perform all preproduction, postproduction and editing at a Qualified Production Facility in Arizona, if such a facility for those functions is available.

OR, an Additional 2.5% of the Motion Picture Production Company's Qualified Production Costs as approved by the Authority if the Motion Picture Production is produced an filmed in association with a Long-Term Tenant of a Qualified Production Facility.

TABLE 9 – FISCAL YEAR 2023 PRE-APPROVED MOTION PICTURE PRODUCTION INCENTIVE PROGRAM

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
No Activity		
TOTALS	\$0	\$0

TABLE 9 – FISCAL YEAR 2023 POST-APPROVED MOTION PICTURE PRODUCTION INCENTIVE PROGRAM

FY 2023 APPLICANT (POST-APPROVED)	CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
No Activity		
TOTALS	\$0	\$0

TABLE 9 – CUMULATIVE MOTION PICTURE PRODUCTION INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2023	\$0	\$0
TOTALS	\$0	\$0

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 two types of benefits:

- Exemption from transaction privilege tax on contracts for certain types of construction within an MRZ
- Both real and personal property can be reclassified from class one (17.5% assessment ratio) to class six (5% assessment ratio), which may result in property tax savings of up to 71.4% for a period of five years.

TABLE 10 – FISCAL YEAR 2023 PRE-APPROVED MILITARY REUSE ZONE INCENTIVE PROGRAM

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Phoenix-Mesa Gateway Airport Authority	\$3,540,125	\$137,547
Phoenix-Mesa Gateway Airport Authority	\$2,874,552	\$111,687
Skybridge Arizona	\$4,256,575	\$130,000
Gulfstream Product Support Corporation	\$838,595	\$53,148
Gulfstream Product Support Corporation	\$3,512,819	\$223,929
Phoenix-Mesa Gateway Airport Authority	\$1,167,756	\$45,372
Phoenix-Mesa Gateway Airport Authority	\$7,851,928	\$305,078
Phoenix-Mesa Gateway Airport Authority	\$8,614,692	\$334,714
Phoenix-Mesa Gateway Airport Authority	\$15,777,632	\$631,022
Phoenix-Mesa Gateway Airport Authority	\$25,997,410	\$1,010,099
Sundt Construction, Inc.	\$20,000,000	\$1,785,900
Phoenix-Mesa Gateway Airport Authority	\$7,321,080	\$284,454
United Airlines - Aviate	\$1,188,900	\$104,623
TOTALS	\$102,942,064	\$5,157,573

TABLE 10 – FISCAL YEAR 2023 POST-APPROVED MILITARY REUSE ZONE INCENTIVE PROGRAM

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Phoenix-Mesa Gateway Airport Authority	\$8,339,289	\$324,013
Phoenix-Mesa Gateway Airport Authority	\$715,851	\$27,814
Phoenix-Mesa Gateway Airport Authority	\$332,491	\$12,919
Bjerk Builders, Inc.	\$428,842	\$17,102
Bjerk Builders, Inc.	\$1,767,886	\$22,400
TOTALS	\$11,584,359	\$404,248

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

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1][2]	AVERAGE WAGE OF NEW JOBS CREATED [1][2]	ACTUAL CAPITAL INVESTMENT MADE [1]	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2012	10	\$79,331	\$258,047	\$12,500
FY 2013	52	\$73,297	\$0	\$52,000
FY 2014	N/A	N/A	\$0	\$0
FY 2015	N/A	N/A	\$8,805,860	\$377,586
FY 2016	N/A	N/A	\$14,515,724	\$587,733
FY 2017	N/A	N/A	\$0	\$0
FY 2018	N/A	N/A	\$47,460,497	\$2,189,203
FY 2019	N/A	N/A	\$2,809,323	\$108,948
FY 2020	N/A	N/A	\$14,406,077	\$598,296
FY 2021	N/A	N/A	\$28,155,243	\$1,093,926
FY 2022	N/A	N/A	\$9,942,277	\$388,152
FY 2023	N/A	N/A	\$11,584,359	\$404,248
TOTALS/AVERAGE	62	\$74,270	\$137,937,406	\$5,812,592

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

[2] The Income Tax Credit benefit was removed August 9, 2017 eliminating the need to report job creation.

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

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1][2]	AVERAGE WAGE OF NEW JOBS CREATED [1][2]	ACTUAL CAPITAL INVESTMENT MADE [1]	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2012	3	\$74,880	\$520	\$1,000
FY 2013	871	\$98,300	\$5,310,000	\$207,679
FY 2014	831	\$91,964	\$847,161	\$546,612
FY 2015	615	\$105,931	\$284,000	\$472,684
FY 2016	17	\$93,013	\$55,173	\$7,500
FY 2017	0	\$0	\$0	\$0
FY 2018	0	\$0	\$0	\$0
FY 2019	0	\$0	\$0	\$0
FY 2020	0	\$0	\$0	\$0
FY 2021	0	\$0	\$0	\$0
FY 2022	0	\$0	\$0	\$0
FY 2023	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.

[2] The Income Tax Credit benefit was removed August 9, 2017 eliminating the need to report job creation.

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. The program has an annual cap of \$125 million.

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 any business headquarters.
- Have at least 65% of the project’s sales/revenues from outside of Arizona unless selling directly to another qualified facility in Arizona.
- 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 if the total qualifying investment is less than \$2,000,000,000, or \$30,000 per net new full-time employment position associated with the facility if the total qualifying investment is more than \$2,000,000,000 OR
- \$30,000,000 per taxpayer per year.



TABLE 11 – FISCAL YEAR 2023 PRE-APPROVED QUALIFIED FACILITY INCENTIVE PROGRAM

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS [2]
Advanced Materials Technologies, LLC	[1]	N/A	[1]	\$665,749
Advantest America, Inc. Amendment	[1]	N/A	[1]	\$600,000
Applied Materials, Inc.	[1]	N/A	[1]	\$440,000
Applied Materials, Inc. - ASU Location	[1]	N/A	[1]	\$4,800,000
ArmorWorks Holdings, Inc.	[1]	N/A	[1]	\$1,000,000
Ball Metal Beverage Container Corp. Amendment	[1]	N/A	[1]	\$3,100,000
Bar-S Foods, Co.	[1]	N/A	[1]	\$240,000
Benchmark Electronics, Inc.	[1]	N/A	[1]	\$1,600,000
Covetrus, Inc. and Subsidiaries	[1]	N/A	[1]	\$1,180,000
Dexcom, Inc. and Subsidiaries	[1]	N/A	[1]	\$7,800,000
EMD Group Holding, Inc.	[1]	N/A	[1]	\$1,820,000
EnPro Industries, Inc.	[1]	N/A	[1]	\$3,900,000
Georgia-Pacific Corrugated, LLC	[1]	N/A	[1]	\$1,000,000
Gold Bond Building Products, LLC	[1]	N/A	[1]	\$1,940,000
Healthcare Arizona, LLC	[1]	N/A	[1]	\$3,689,274
Hyundai Transys Georgia Seating System, LLC	[1]	N/A	[1]	\$1,133,311
Intel Corporation - Chandler Amendment	[1]	N/A	[1]	\$14,580,000
Intel Corporation - Dobson Amendment	[1]	N/A	[1]	\$7,290,000
JX Nippon Mining & Metals USA, Inc.	[1]	N/A	[1]	\$2,240,000
Lawrence Semiconductor Research Laboratory, Inc.	[1]	N/A	[1]	\$330,000
Mark Anthony Brewing, Inc.	[1]	N/A	[1]	\$1,540,000
MiTek, Inc. Amendment	[1]	N/A	[1]	\$500,000
Nextiva, Inc.	[1]	N/A	[1]	\$2,000,000
Nikola Corporation	[1]	N/A	[1]	\$3,740,000
Parker Fasteners, LLC	[1]	N/A	[1]	\$700,000

Table 11 – Fiscal Year 2023 Pre-Approved Qualified Facility Incentive Program continued on next page >

TABLE 11 – FISCAL YEAR 2023 PRE-APPROVED QUALIFIED FACILITY INCENTIVE PROGRAM (CONTINUED)

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS [2]
Premiere Manufacturing, Inc.	[1]	N/A	[1]	\$1,500,000
Rehrig Pacific Company	[1]	N/A	[1]	\$2,440,000
Saras Micro Devices, Inc.	[1]	N/A	[1]	\$1,000,000
Sunstate Equipment Co., LLC	[1]	N/A	[1]	\$652,563
The Reinalt-Thomas Corporation	[1]	N/A	[1]	\$5,000,000
The Vanguard Group, Inc.	[1]	N/A	[1]	\$2,205,282
TSMC Arizona Corporation	[1]	N/A	[1]	\$30,000,000
West Pharmaceutical Services AZ, Inc.	[1]	N/A	[1]	\$7,160,000
Williams-Sonoma Direct, Inc.	[1]	N/A	[1]	\$1,010,730
TOTALS/AVERAGE	5,804	N/A	\$9,050,035,321	\$118,796,909

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

[2] Since the fiscal year spans two calendar years, fiscal year total incentives may exceed the calendar year cap.

TABLE 11 – FISCAL YEAR 2023 POST-APPROVED QUALIFIED FACILITY INCENTIVE PROGRAM

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Align Technology, Inc.	[1]	[1]	[1]	\$395,534
Bestway USA, Inc.	[1]	[1]	[1]	\$703,316
Cardinal IG Company	[1]	[1]	[1]	\$6,100,000
Essai, Inc.	[1]	[1]	[1]	\$920,000
MiTek Corporation	[1]	[1]	[1]	\$1,300,000
Nextiva, Inc.	[1]	[1]	[1]	\$1,960,000
Precision Aero, Inc.	[1]	[1]	[1]	\$377,564
Rauch North America, Inc.	[1]	[1]	[1]	\$3,280,000
Raytheon Company	[1]	[1]	[1]	\$20,000,000
RJR Technologies, Inc.	[1]	[1]	[1]	\$373,049
TSMC Arizona Corporation	[1]	[1]	[1]	\$20,490,000
TOTALS/AVERAGE	3,074	\$84,297	\$2,430,242,548	\$55,899,463

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



TABLE 11 – CUMULATIVE QUALIFIED FACILITY INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	CUMULATIVE ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2016	[1]	[1]	[1]	\$17,540,000
FY 2017	93	\$68,404	\$30,891,947	\$1,860,000
FY 2018	59	\$56,920	\$8,213,530	\$740,000
FY 2019	308	\$48,486	\$121,274,720	\$5,735,378
FY 2020	833	\$76,747	\$504,588,739	\$16,394,414
FY 2021	3,719	\$89,929	\$947,337,356	\$69,622,514
FY 2022	2,938	\$83,703	\$5,961,176,789	\$56,171,189
FY 2023	3,074	\$84,297	\$2,430,242,548	\$55,899,463
TOTALS/AVERAGE	[1]	[1]	[1]	\$223,962,958

[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 calendar 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 urban areas.

For Urban Locations:

1. Taxpayer is required to invest at least \$5,000,000 in capital expenditures, and create at least 25 net new qualified employment positions that pay 100% of the county median wage, OR
2. Taxpayer is required to invest at least \$2,500,000 in capital expenditures, and create at least 25 net new qualified employment positions that pay 125% of the county median wage, OR
3. Taxpayer is required to invest at least \$1,000,000 in capital expenditures, and create at least 25 net new qualified employment positions that pay 150% of the county median wage, OR
4. Taxpayer is required to invest at least \$500,000 in capital expenditures, and create at least 25 net new qualified employment positions that pay 200% of the county median wage.

For Rural Locations:

1. Taxpayer is required to invest at least \$1,000,000 in capital expenditures, and create at least five net new qualified employment positions that pay 100% of the county median wage, OR
2. Taxpayer is required to invest at least \$500,000 in capital expenditures, and create at least five net new qualified employment positions that pay 125% of the county median wage, OR
3. Taxpayer is required to invest at least \$100,000 in capital expenditures, and create at least five net new qualified employment positions that pay 150% of the county median wage.



TABLE 12 – FISCAL YEAR 2023 PRE-APPROVED QUALITY JOBS INCENTIVE PROGRAM

FY 2023 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [1]	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
AF Steel Fabricators, LLC	100	\$72,480	\$1,000,000	\$900,000
NGC, Inc.	16	\$43,250	\$1,000,000	\$144,000
Mulberry Management Corporation	69	\$75,647	\$2,500,000	\$621,000
Jbugs	40	\$51,000	\$5,000,000	\$360,000
Modern Industries, Inc.	125	\$52,000	\$5,000,000	\$1,125,000
Modern Industries, Inc.	120	\$57,408	\$5,000,000	\$1,080,000
Champion Home Builders	70	\$58,000	\$5,000,000	\$630,000
Upgrade, Inc.	618	\$52,365	\$5,000,000	\$5,562,000
Creighton University School of Medicine	59	\$90,536	\$5,000,000	\$531,000
Parker Hannifin Corp.	68	\$52,000	\$5,000,000	\$612,000
VillageMD	12	\$82,000	\$1,000,000	\$108,000
VillageMD	12	\$81,316	\$1,000,000	\$108,000
VillageMD	12	\$82,000	\$1,000,000	\$108,000
VillageMD	50	\$100,000	\$1,000,000	\$450,000
HCW Development	150	\$45,000	\$5,000,000	\$1,350,000
The Home Depot USA	50	\$48,880	\$5,000,000	\$450,000
CSAA Insurance Exchange	197	\$123,100	\$5,000,000	\$1,773,000
Grocery Delivery E-Services USA, Inc.	310	\$64,600	\$5,000,000	\$2,790,000
Shamrock Foods Company	200	\$50,885	\$5,000,000	\$1,800,000
PetSmart Inc. & Subsidiaries	27	\$155,976	\$5,000,000	\$243,000
TOTALS/AVERAGE	2,305	\$64,942	\$73,500,000	\$20,745,000

[1] The projected capital investment shown is the minimum amount needed to qualify for the program. The actual capital investment may be higher and is confidential pursuant to A.R.S. § 41-1525(G).

TABLE 12 – FISCAL YEAR 2023 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	MINIMUM CAPITAL INVESTMENT MADE [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Chewy, Inc.	47	30	\$54,587	N/A	\$231,000
McKesson Corporation	0	303	N/A	N/A	\$909,000
CarMax	112	133	\$56,082	N/A	\$735,000
Automatic Data Processing, Inc.	0	40	N/A	N/A	\$120,000

Table 12 – Fiscal Year 2023 Post-Approved Quality Jobs Incentive Program continued on next page >

TABLE 12 – FISCAL YEAR 2023 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM (CONTINUED)

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	MINIMUM CAPITAL INVESTMENT MADE [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Walgreen Co.	32	0	\$81,118	\$1,000,000	\$96,000
Creighton University School of Medicine	59	0	\$78,096	\$5,000,000	\$177,000
Grand Canyon University	60	60	\$64,954	N/A	\$360,000
Parker Hannifin Corp.	71	0	\$52,118	\$5,000,000	\$213,000
Voya Financial, Inc.	0	301	N/A	N/A	\$903,000
Mulberry Management Corporation	0	13	N/A	N/A	\$39,000
Mulberry Management Corporation	30	0	\$80,330	\$2,500,000	\$90,000
Farmers Insurance - Woodland Hills	0	206	N/A	N/A	\$618,000
Walgreen Co.	0	7	N/A	N/A	\$21,000
Speedway Motors, Inc.	2	22	\$58,465	N/A	\$72,000
Carvana, LLC	0	142	N/A	N/A	\$426,000
Carvana, LLC	0	20	N/A	N/A	\$60,000
Dot Foods Inc.	34	14	\$41,453	N/A	\$144,000
Penske Automotive Group	32	0	\$65,474	\$5,000,000	\$96,000
W&W Steel Erectors, LLC	34	0	\$119,743	\$2,500,000	\$102,000
Amazon Corporate, LLC	33	0	\$130,930	\$1,000,000	\$99,000
Amazon Corporate, LLC	52	0	\$74,417	\$5,000,000	\$156,000
Upgrade, Inc.	435	0	\$56,147	\$5,000,000	\$1,305,000
Swire Pacific Holdings, Inc.	14	89	\$54,041	N/A	\$309,000
CVS Health Corporation	0	99	N/A	N/A	\$297,000
Grocery Delivery E-Services USA, Inc.	285	0	\$63,822	\$5,000,000	\$855,000
Red Bull North America, Inc.	52	0	\$81,067	\$5,000,000	\$156,000
AF Steel Fabricators, LLC	53	0	\$89,296	\$1,000,000	\$159,000
Meyer Distributing, Inc.	30	13	\$38,175	N/A	\$129,000
WillScot Mobile Mini Holdings Corp.	99	68	\$95,914	N/A	\$501,000
Bank of America Corporation	0	48	N/A	N/A	\$144,000
Bank of America Corporation	0	343	N/A	N/A	\$1,029,000
Bank of America Corporation	0	102	N/A	N/A	\$306,000
Waste Management, Inc. & Subsidiaries	0	7	N/A	N/A	\$21,000



TABLE 12 – FISCAL YEAR 2023 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM (CONTINUED)

FY 2023 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	MINIMUM CAPITAL INVESTMENT MADE [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
The Northern Trust Company	0	30	N/A	N/A	\$90,000
Bell Bank-Arizona	9	39	\$135,713	N/A	\$144,000
SK Food Group	0	37	N/A	N/A	\$111,000
Tractor Supply Co.	0	47	N/A	N/A	\$141,000
PetSmart Inc. & Subsidiaries	27	0	\$150,846	\$5,000,000	\$81,000
Bank of the West	0	48	N/A	N/A	\$144,000
Think, LLP	0	7	N/A	N/A	\$21,000
Nationstar Mortgage	0	188	N/A	N/A	\$564,000
Align Technology	40	0	\$237,973	\$1,000,000	\$120,000
TOTALS/AVERAGE	1,642	2,456	\$72,907	\$49,000,000	\$12,294,000

- [1] The 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 projected capital investment shown is the minimum amount needed to qualify for the program. The actual capital investment may be higher and is confidential pursuant to A.R.S. § 41-1525(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	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY [1]
FY 2012	348	\$117,827	\$2,436,367,936	\$1,044,000
FY 2013	1,028	\$50,400	\$1,694,142,119	\$4,113,000
FY 2014	1,041	\$53,316	\$102,392,468	\$6,339,000
FY 2015	2,221	\$54,125	\$348,087,494	\$9,102,000
FY 2016	1,785	\$61,751	\$515,460,180	\$12,972,000
FY 2017	3,047	\$56,349	\$353,913,347	\$18,603,000
FY 2018	3,694	\$59,957	\$453,220,435	\$22,671,000
FY 2019	3,014	\$68,793	\$285,389,632	\$24,177,000
FY 2020	3,994	\$67,955	\$285,555,262	\$27,039,000
FY 2021	2,793	\$66,287	\$202,788,129	\$25,077,000
FY 2022	1,003	\$69,102	\$358,072,261	\$18,852,000
FY 2023	1,642	\$72,907	\$308,501,208	\$12,264,000
TOTALS/AVERAGE	25,610	\$63,446	\$7,343,890,471	\$182,253,000

- [1] Amount post-approved represents non-refundable 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.

RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

The Research and Development (R&D) 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 tax credit minus the current year's tax liability. Beginning in calendar year 2019, the maximum refund amount per taxpayer is \$100,000 in a single tax year. The total amount of refundable tax credits that may be awarded in any calendar year is \$5 million; therefore, tax credits reported may be awarded in any fiscal year may be more or less than the \$5 million limit.

An additional tax 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 13 – FISCAL YEAR 2023 POST-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM [1]

FY 2023 APPLICANTS (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Advanced Materials Technologies, LLC	\$2,732,808	\$100,000
Advent Diamond, Inc.	\$465,529	\$41,860
Airtronics, Inc.	\$635,234	\$100,000
Aline Architecture Concepts, LLC	\$576,844	\$51,916
AMB Wellness Partners, LLC	\$181,219	\$16,310
ASEI Engineering, Inc.	\$729,262	\$50,602
Atomera, Inc.	\$1,134,120	\$100,000
Azbil North America, Inc.	\$416,145	\$36,612
Bakkum Noelke Consulting Structural Engineers, Inc.	\$552,059	\$49,648
Bingham Engineering Consultants, LLC	\$532,058	\$47,885
CCBG Architects, Inc.	\$2,414,822	\$100,000
CellTrust Corporation	\$1,123,631	\$78,462
Chipletz, Inc.	\$238,200	\$21,401
CivTech, Inc.	\$975,565	\$83,343
CLV, Inc.	\$3,938,144	\$100,000
Codelucida, Inc.	\$156,464	\$14,044
Cogent 3D, Inc.	\$1,528,822	\$42,501

Table 13 - Fiscal Year 2023 Post-Approved Research and Development Incentive Program continued on next page >

TABLE 13 – FISCAL YEAR 2023 POST-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM [1] (CONTINUED)

FY 2023 APPLICANTS (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
CP North America, LLC	\$714,258	\$64,283
CTM Magnetics, Inc.	\$1,792,926	\$100,000
CyMedica Orthopedics, Inc.	\$857,292	\$77,119
Design Works Studios, LLC	\$2,479,236	\$100,000
Digitile, Inc.	\$371,482	\$33,396
DPA, Inc.	\$1,372,920	\$100,000
Execute To Win, LLC	\$317,178	\$28,546
F & N Enterprises, Inc.	\$641,705	\$57,716
Forced Physics Data Center Technology, LLC	\$659,218	\$59,330
Foresight Finishing, LLC	\$2,037,842	\$100,000
Fullbay, Inc.	\$2,438,302	\$100,000
Hamilton Innovations, LLC	\$994,063	\$89,466
Heliae Technology Holdings, Inc.	\$1,511,672	\$100,000
Holly Street Studio, LLC	\$959,254	\$86,333
Howe Industries, LLC	\$72,565	\$6,531
Integrated Technology Corporation	\$1,593,436	\$100,000
Intellimed International Corporation	\$916,804	\$82,475
JMC Engineering, PLLC	\$272,105	\$24,490
LeaseHawk, LLC	\$1,859,900	\$100,000
Lunasonde, Inc.	\$1,073,140	\$96,545
NP Photonics, Inc.	\$1,627,426	\$100,000
nQueue Zebraworks, Inc.	\$1,150,508	\$100,000
Nth Degree Technologies Worldwide, Inc.	\$706,702	\$63,566
Nu Planet Pharmaceutical Radioisotopes, Inc.	\$253,294	\$22,759
Oats Overnight, Inc.	\$1,594,283	\$100,000
Oryx Additive, Inc.	\$703,889	\$63,313
Pangolin Structural, LLC	\$1,041,958	\$93,776
Phantom Space Corporation	\$3,009,676	\$100,000

Table 13 - Fiscal Year 2023 Post-Approved Research and Development Incentive Program continued on next page >

TABLE 13 – FISCAL YEAR 2023 POST-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM [1] (CONTINUED)

FY 2023 APPLICANTS (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Piping Systems Engineering, Inc.	\$1,818,116	\$100,000
Prescott Precision Die, Inc.	\$1,646,342	\$100,000
Pyramid Technologies, Inc.	\$1,574,002	\$100,000
Pyx Health, Inc.	\$1,506,078	\$100,000
Radiance Therapeutics, Inc.	\$778,741	\$70,049
ReSuture, Inc.	\$63,496	\$5,677
Ron Turley Associates, Inc.	\$1,755,770	\$100,000
Ruda-Cardinal, Inc.	\$1,180,163	\$94,562
Rugo Machine Shop Services, LLC	\$535,715	\$26,394
Salutaris Medical Devices, Inc.	\$445,147	\$40,026
Sandhill Holdings, LLC	\$2,019,314	\$100,000
Signing Day Sports, LLC	\$1,219,332	\$100,000
SmarterTools, Inc.	\$1,552,575	\$100,000
Solera Health, Inc.	\$1,399,415	\$100,000
Solid State Networks, LLC	\$729,883	\$42,501
SpektreWorks, Inc.	\$1,325,596	\$100,000
Stroh Architecture, Inc.	\$695,728	\$62,578
Swift Coat, Inc.	\$655,717	\$58,977
Terkel, Inc.	\$407,645	\$36,651
Trainual, Inc.	\$1,714,396	\$100,000
Voiceriver, Inc.	\$871,034	\$78,356
Wealth Financial Technologies, Inc.	\$1,153,606	\$100,000
World View Enterprises, Inc.	\$10,776,332	\$100,000
TOTALS [2]	\$87,178,103	\$4,999,999

[1] There is no "pre-approval" process for the Research and Development Incentive Program. Only "post-approval" results are shown.

[2] The total amount awarded is less than the \$5 million calendar year cap set forth in A.R.S. § 41-1507(E). The \$1.00 will roll to the Calendar Year 2024 Cap.

TABLE 13 – CUMULATIVE RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

APPLICANT POST APPROVAL YEAR	CUMULATIVE CAPTIAL INVESTMENT	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2012	\$61,692,391	\$5,000,000
FY 2013	\$61,965,382	\$5,000,000
FY 2014	\$58,942,155	\$5,000,000
FY 2015	\$60,852,349	\$5,000,000
FY 2016	\$61,692,352	\$5,000,000
FY 2017	\$58,264,067	\$5,000,000
FY 2018	\$60,825,583	\$5,000,000
FY 2019	\$85,244,315	\$4,980,283
FY 2020	\$87,526,191	\$5,019,717
FY 2021	\$76,667,613	\$4,999,997
FY 2022	\$70,107,070	\$5,000,003
FY 2023	\$87,178,103	\$4,999,999
TOTALS	\$830,957,571	\$59,999,999

TABLE 13 – FISCAL YEAR 2023 POST APPROVED UNIVERSITY RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM [1]

FY 2023 APPLICANTS (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED IN YEAR BASED ON ACTUAL ACTIVITY
No activity	\$0	\$0
TOTALS	\$0	\$0

[1] There is no "pre-approval" process for the Research and Development Incentive Program. Only "post-approval" results are shown.

TABLE 13 – CUMULATIVE UNIVERSITY RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

APPLICANT POST APPROVAL YEAR	CUMULATIVE CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
FY 2016	\$25,041	\$2,339
FY 2017	\$150,500	\$11,288
FY 2018	\$15,655	\$377
FY 2019	\$0	\$0
FY 2020	\$0	\$0
FY 2021	\$0	\$0
FY 2022	\$472,377	\$17,138
FY 2023	\$0	\$0
TOTALS	\$663,573	\$31,142



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