

2023

FIVE-YEAR PLAN

# Scaling Arizona's Global Competitiveness

EXECUTIVE SUMMARY

2027



**ARIZONA**  
COMMERCE AUTHORITY

# Arizona is Winning in the Game of Growth

In today's connected world, economic development is not constrained by geographic boundaries or national borders. Competition for growth is fierce and takes place on the global stage. Arizona's steadfast commitment to creating the best environment to live, work and do business has kept our state at the leading edge.

The Arizona Commerce Authority (ACA) has worked with leaders statewide across industry, academia and government to ensure Arizona's talent, policies and infrastructure readily meet the demands of rapidly growing businesses. Here, decision makers find much more than just a location—they can count on reliable partnerships and mutually beneficial relationships with the communities in which they invest.

This consistent approach has driven Arizona's strong economic momentum and resiliency. Under the exemplary leadership of our board of directors, over the past decade, the ACA has worked with more than 1,060 companies to create over 234,000 projected new jobs and secure a remarkable \$70 billion in capital investment in Arizona.

We've attracted new companies and opportunities to our state while helping Arizona businesses grow with a team specifically dedicated to entrepreneurship and small business. Through the ACA's comprehensive suite of programs to support startup ventures, we've built a portfolio of over 115 early-stage tech companies that have generated more than \$100 million in revenue and attracted more than \$870 million in investment.

A focus on economic diversification and emerging technologies has led to historic results and earned Arizona a reputation as a global hub for innovation. Our state is winning the competition for jobs and investment—a product of our welcoming environment for new people, ideas and business models—and we're setting our sights even higher.

Over the next five years, the ACA will strategically leverage new tactics and initiatives to increase our impact in helping attract, expand and create business opportunities in our state. We've titled our five-year plan "Scaling Arizona's Global Competitiveness" because our state is competing on the global stage for the most advanced, high-tech opportunities—and we intend to take these efforts even further.

Arizona has always been a place of possibility, where opportunity and determination combine to put any dream within reach. Creativity and tenacity are ingrained in our culture. Consistent with these characteristics, the ACA's action plan lays out a new set of ambitious goals and proactive strategies to achieve our mission. The most important work always lies ahead, and over the next five years, we will ensure Arizona continues to grow, compete and win on the biggest stage.



Sincerely,

A handwritten signature in black ink that reads "S. Watson". The signature is fluid and cursive.

Sandra Watson  
President & CEO  
Arizona Commerce Authority

# Aggressive Goals for the Next Five Years

The ACA remains focused on our streamlined mission to grow Arizona's economy by facilitating the creation of high-quality jobs and supporting entrepreneurship. Recognizing the critical importance of broadband in the digital economy, we've added a new measure for enhancing connectivity.

100,000  
JOBS

150%  
OF 2022 STATE  
MEDIAN WAGE

\$20 billion  
CAPITAL  
INVESTMENT

Top Five State  
FOR ENTREPRENEURIAL  
VITALITY

95% of Arizona  
Households  
WITH ACCESS TO HIGH-SPEED  
BROADBAND

# Focusing on High Value Industries

The ACA's consistent focus on developing six target industries in Arizona has resulted in a diverse, resilient economy statewide. These industries and sectors create high-value jobs, invest in capital-intensive projects, generate exports and have strong supply chains that create industry clusters resulting in additional indirect jobs.

## ECONOMIC IMPACT OF TARGET INDUSTRIES

A 2022 report by the Seidman Research Institute at Arizona State University's W. P. Carey School of Business shows the significant economic impact of these targeted industries in our state:

- ▶ **Over 67.1%** of Arizona's annual Gross State Product - **\$268.3 billion**
- ▶ **Over 73.7%** of Arizona's total annual employment - **2.39 million**
- ▶ Approximately **70%** of Arizona's total annual labor income - **\$178.1 billion**
- ▶ Employees directly contributed **\$7.3 billion** in state and local government taxes. That's more than **62.3%** of individual income and sales taxes paid by all private sector workers in FY2021.
- ▶ For every **100** direct jobs created, at least **114.6** additional indirect or induced jobs are generated.



**AEROSPACE & DEFENSE**

AIRCRAFT  
SPACECRAFT  
MAINTENANCE, REPAIR & OVERHAUL



**BIOSCIENCE & HEALTH CARE**

MEDICAL DEVICES  
THERAPEUTICS  
PHARMACEUTICALS



**BUSINESS & FINANCIAL SERVICES**

BANKING  
INSURANCE  
CENTERS OF EXCELLENCE



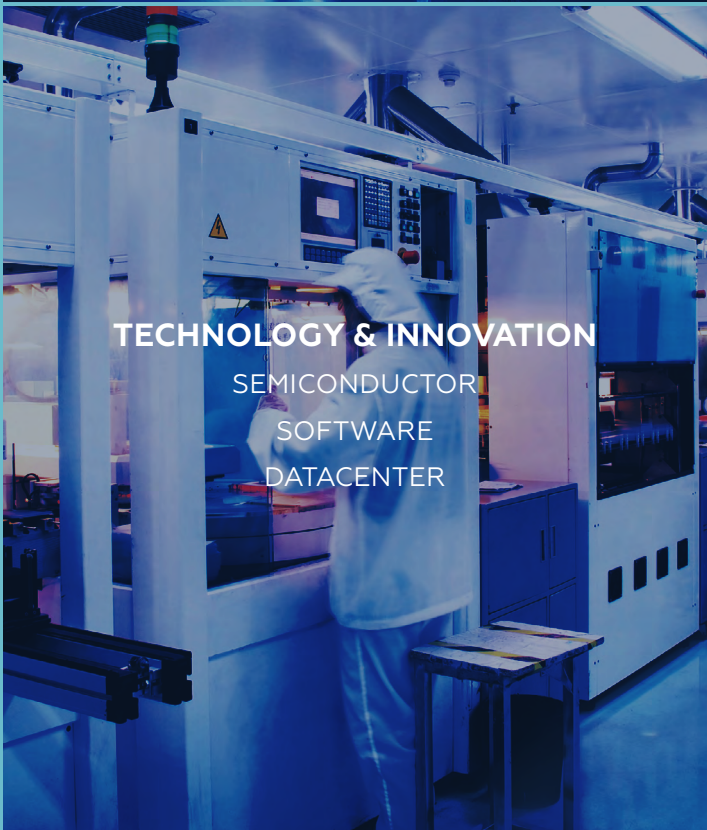
**FILM & DIGITAL MEDIA**

FILM & VIDEO PRODUCTION  
COMMERCIAL PHOTOGRAPHY  
CONTENT STUDIOS



**MANUFACTURING**

AUTOMOTIVE  
BATTERY  
CONSUMER PRODUCTS



**TECHNOLOGY & INNOVATION**

SEMICONDUCTOR  
SOFTWARE  
DATACENTER



# Innovation Comes Standard Here

In Arizona, we think about the future 24/7. Rapid advancements in technology are constantly reshaping established industries. The ACA's early and consistent focus on economic diversification placed our state on a firm foundation to look ahead and leverage this transformation as a strategy for growth.

Arizona has a rich, decades-long history as a leader across all aspects of the semiconductor value chain, with a location quotient among the highest in the nation and a top five ranking for highest concentration of semiconductor employment. As the industry continues to evolve toward increasingly advanced processes and devices, we've stepped up on a national scale to coordinate efforts to enhance U.S. competitiveness, creating the National Semiconductor Economic Roadmap (NSER) initiative.

Our state has also made rapid gains in an industry powered by semiconductors: automotive. In 2018, after making Arizona the first state in the nation to support the responsible testing of self-driving cars, Governor Doug Ducey created the Institute of Automated Mobility (IAM), which is housed within the ACA. The IAM has pioneered a national playbook for safety standards to test and deploy these vehicles. The AZSkyTech program was also established in 2018 to support testing of unmanned aircraft systems.

In addition to automated vehicles, our pro-innovation mindset has attracted electric vehicle manufacturers, including Lucid Motors and Nikola. Battery manufacturing and recycling operations have grown quickly in Arizona as a result, building upon our expertise in clean energy production and sustainability. This track record positions our state to continue to lead the nation in the development of next-generation mobility solutions.

Arizona was also the first state in the nation to create sandbox testing programs for new, innovative fintech and proptech solutions and an early adopter of legislation to enable the use of blockchain technology in both the private and public sectors. As distributed ledger technologies, digital assets, cryptocurrencies and decentralized autonomous organizations—collectively known as Web3—shape the future of the internet, Arizona is prepared to identify new opportunities.

As companies, organizations and governments increasingly rely on digital systems, cybersecurity is more important than ever. Cybersecurity operations in Arizona include AZLabs, a one-of-a-kind former military base that maintains U.S. Department of Defense protocols for training, the Arizona Cyberwarfare

Range, the Arizona Cyber Threat Response Alliance and more than 50 private sector companies. Further setting our state apart is a new, \$26 million National Science Foundation Engineering Research Center at the University of Arizona, known as the Center for Quantum Networks, laying the foundation for quantum internet. This technology will not only transform the computer processing, but also drive transformation and adaptation in cybersecurity.

More recently, the ACA has formed two alliances to significantly enhance its focus on the industries of the future. Science Foundation Arizona (SFAz) has come under the ACA umbrella to pursue applied research in emerging technology areas in partnership with industry and academia. Likewise, the newly created Arizona Venture Development Corporation, also operating with oversight from the ACA, will fund promising early-stage technology ventures, further increasing access to capital for Arizona startups and drawing new investors to our state. This alignment and collaboration will play a pivotal role in advancing and leveraging cutting-edge technologies.

Over the next five years, the ACA will focus on 15 carefully chosen emerging technology areas in which Arizona has existing strengths, assets and expertise—particularly in our three public universities: Arizona State University, the University of Arizona and Northern Arizona University, as well as Embry Riddle Aeronautical University and Grand Canyon University. This work is a continuation of the ACA’s BIG ideas strategy—designed to scale Arizona’s ability to make positive economic and social impacts worldwide by advancing our reputation as the best place for Business, Innovation and Growth.

A close-up of a blue printed circuit board (PCB) with numerous silver components and a white spherical object in the foreground.

**ADVANCED  
SEMICONDUCTOR**

A large metal irrigation structure over a green field under a clear sky.

**WATERTECH  
& AGTECH**

A digital financial chart with red and blue bars and lines on a dark blue background.

**FINTECH**

A blue padlock icon centered within a circular digital interface with data points.

**CYBERSECURITY**

A person wearing a VR headset, reaching out towards a digital interface with glowing lines.

**AI & MACHINE  
LEARNING**

A blurred image of a road with light trails from cars, suggesting high speed.

**NEXT-GEN  
MOBILITY**

A view of Earth from space, showing the planet's curvature and atmosphere.

**SPACETECH**

A perspective view of a modern building's facade with many windows.

**PROPTech**

A 3D printer nozzle extruding material onto a platform in a factory setting.

**ADDITIVE  
MANUFACTURING**

A molecular structure model with glowing blue and yellow nodes and connecting lines.

**ADVANCED  
MATERIALS**

A large array of solar panels installed in a desert landscape with mountains in the background.

**CLEAN ENERGY  
& SUSTAINABILITY**

A close-up of laboratory glassware, including test tubes and flasks, with a blue glow.

**BIOTECH**

A warehouse interior with a complex network of white lines overlaid, representing IoT connectivity.

**INTERNET  
OF THINGS**

A server room with rows of server racks and a digital overlay of binary code and data points.

**QUANTUM  
COMPUTING**

A hand holding a tablet displaying a digital interface with charts, graphs, and the text 'WEB3'.





# A Unique Economic Development Approach

The ACA is a public-private partnership that serves as the state's leading economic development organization, working to ensure Arizona is the best place in the world for business and innovation.

The ACA aims to foster a diversified, resilient economy through the advancement of technology- and export-based industries. This mission is statewide and comprehensive, focusing on all aspects of economic development: attracting out-of-state companies to establish new operations in Arizona; working with existing companies to expand their businesses in Arizona; and partnering with entrepreneurs to create new businesses and commercialize new technologies in Arizona.

Ten intentionally designed strategies help the ACA exceed our aggressive goals year after year. These strategies drive the creation and execution of programs and initiatives, which are delivered by our team of professionals. See page 28 for additional information.

Our culture serves as the foundation for everything we do. To continually succeed, the ACA must perform at the speed of the businesses we serve. Eight core values—transparency, accountability, ROI, leadership, engagement, long-term vision, short-term action and collaboration—guide our approach.

This framework enables the ACA to achieve our important mission effectively and efficiently, resulting in a vibrant, healthy and growing Arizona.

## VISION

Arizona is the premier global destination for business and innovation, with an economy that delivers opportunity for all Arizonans.

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## MISSION

To continually grow and strengthen Arizona's economy by helping businesses in targeted, high-growth industries create quality jobs statewide for Arizona citizens.



## STRATEGIES

Monitor & Advance Competitiveness  
Communicate Arizona's Attractiveness  
Grow Arizona's Skilled Workforce  
Lead Arizona Economic Development Efforts  
Drive Economic Growth Statewide

Increase Arizona's Cutting-Edge Tech Leadership  
Establish Arizona as U.S. Manufacturing Capital  
Scale Arizona's Entrepreneurial Ecosystem  
Encourage Strategic Infrastructure in Arizona  
Leverage International Business Relationships

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## CULTURE

Transparency | Accountability | ROI | Leadership | Engagement | Long-Term Vision  
Short-Term Action | Collaboration



# A New Model for Economic Development

To meet the needs of dynamic businesses in a global economy, the ACA is ever evolving, continually adapting and optimizing the way we work to achieve the best results for Arizona. To scale our reach and impact while remaining nimble and responsive, the ACA has extended our public-private model to strategic partnerships and forward-thinking initiatives that fit within our three-pronged mission.

We continue to leverage the guidance of business leaders in targeted areas such as the Rural Business Development Advisory Council, the Arizona Manufacturing Extension Partnership and the National Semiconductor Economic Roadmap. Working with K-12 students, educators and corporate executives, we are building Arizona's STEM workforce through the SciTech Institute. The Arizona Venture Development Corporation and Arizona Finance Authority are creating access to capital for businesses of all sizes. As R&D and production become ever more seamless, Science Foundation Arizona and the Institute of Automated Mobility bring together industry and academia to conduct cutting-edge research and testing. To ensure the ACA's strategies are data-driven, the Arizona Office of Economic Opportunity provides an ongoing analysis of our state's competitiveness.

While they operate under the umbrella of the ACA, each initiative is governed by its own board of directors or steering committee, providing new connection points to a broad network of subject matter experts and engaging the private sector in a unified, intentional manner. As Arizona competes to maintain its global leadership position, the ACA will seek new, innovative approaches—outside of traditional state government models—to achieve our important mission.



# Tactical Execution to Achieve Results

The ACA is overseen by a board of directors that brings together the state's most prominent private-sector business leaders, elected officials and university and community college presidents. Executive leadership drives the organization's day-to-day operations and oversees teams that execute on the strategies outlined in this plan.

## ACA Board of Directors

## ACA Executive Leadership

### Business Development

- ▶ Business Attraction
- ▶ Business Expansion
- ▶ Rural Economic Development
- ▶ Arizona Manufacturing Extension Partnership
- ▶ Foreign Direct Investment & International Trade
- ▶ Small Business Services
- ▶ Film & Digital Media

### Workforce Development

- ▶ Workforce Arizona Council
- ▶ Workforce Navigator
- ▶ Workforce Accelerators
- ▶ Arizona Career Readiness Credential

### Innovation & Technology

- ▶ Entrepreneurship & Venture Development
- ▶ Innovation Research & Technology Transfer
- ▶ Strategic Futures
- ▶ Arizona Broadband
- ▶ Science Foundation Arizona
- ▶ Institute of Automated Mobility
- ▶ SciTech Institute
- ▶ National Semiconductor Economic Roadmap

### Research

- ▶ Arizona Office of Economic Opportunity
- ▶ Economic Data Analysis
- ▶ Arizona Competitiveness
- ▶ Labor Market Information
- ▶ Labor Systems
- ▶ Demographics

### Marketing & Communications

- ▶ Marketing
- ▶ Communications
- ▶ Public Relations
- ▶ Events
- ▶ Legislative Affairs

### Operations

- ▶ Finance
- ▶ Legal
- ▶ Accounting & Procurement
- ▶ Human Resources
- ▶ Information Technology
- ▶ Operational Excellence





### Confidential Site Selection

Identify existing buildings, build-to-suit opportunities and other real estate solutions



### Workforce Coordination and Facilitation

Connect with Arizona's talent pipeline



### Critical Infrastructure Connections

Facilitate discussions with Arizona's electric, gas, water and fiber network leaders



### Detailed Market Analysis

Provide research and data supporting Arizona's competitive advantages



### Manufacturing Assistance

Integrate into Arizona's manufacturing ecosystem



### Supply Chain Solutions

Make introductions to Arizona customers and suppliers



### Key Stakeholder Engagement

Meet economic development partners and government officials



### Financial Programs

Identify and secure financial relief for businesses in Arizona



### Public Relations and Media Amplification

Provide public and media relations, social media promotion and event coordination



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