STRATEGIC OPPORTUNITIES

September 27, 2011
Arizona Growth Fund

**Purpose:** To integrate and leverage public and private debt/equity tools in support of advancing entrepreneurial development and expansion. To provide capital access to credit worthy ventures utilizing existing funds, which have been coordinated strategically to support business growth.

- **Institutional Bank Consortium**
- **Arizona Multi-Bank**
- **SBA Loan Program / US Treasury**
- **State Bond Funds**
- **IDA Partnership Funds**
- **ACA Fund Sources**
- **Local Government Partnerships**
- **Federal Grant Programs**
AZ Innovation Challenge

Purpose: Advance innovation and technology commercialization opportunities in Arizona by supporting early stage ventures in Arizona’s targeted industries.

- At $1.5 million in funding, the Arizona Innovation Challenge was the largest business challenge in the country in FY2011

- Results of Arizona’s 1st Innovation Challenge:
  - More than 100 proposals were received through a competitive bid process and evaluated by an investment committee in January 2011
  - Eight Arizona companies received awards between $100k - $250k

- Allocate $1.5 million to continue the Arizona Innovation Challenge in FY2012
  - Grants: $100k - $250k per award
  - Launch and awards - Q1 2012
ACA Center for Innovation and Entrepreneurship

**OBJECTIVE:** Creation of a public/private center designed to provide access to information concerning the opportunity, resources and partnerships available to entrepreneurs desiring to introduce innovation and create a business in Arizona.

- *Offices located on the SE Corner of Van Buren and 1st Street*
- *Staffed by the ACA’s small business personnel*
- *Coordinated with Arizona Small Business Association, Chambers of Commerce and private sector partners*
- *ACA and partners to provide small business creation workshops on site*
- *Center will utilize kiosks and technology easily accessible to entrepreneurs for the purpose of informing them of Arizona resources and support mechanisms for either establishing a business or expanding current operations*
- *Grand Opening: October 2011*
California Attraction and Business Development Strategy

**Purpose:** To identify, pursue and secure business relocation as well as enhance opportunities for Arizona businesses.

- *Establish ACA offices in Los Angeles and the San Jose/Bay area*
- *Collaborate in such efforts with ASU and U of A*
  - ACA is currently working with ASU to identify office space
- *Engage third-party research partners as necessary*
- *Aggressively market the Arizona opportunity*
- *Enhance Arizona businesses by identifying strategic partnerships, supply chain opportunities as well as access to capital*
Foreign Direct Investment (China)

OBJECTIVE: To establish a geographical presence in China to further the growth of Arizona exports and attraction of foreign investment in Arizona resulting in Arizona based jobs.

- Research and Analysis completed
- Shanghai and Cheng-du determined to be target locations
- China currently serves as Arizona’s third largest trading partner
- Opportunity for expanding Arizona exports unparalleled in China
- Virtually every competing state has a geographical presence in China
- Target Date: 2\textsuperscript{nd} Quarter, 2012
- Staffing: Three ACA employees
- Collaboration: ASU and Sichuan American University
Rural Arizona Strategies

**OBJECTIVE:** To significantly focus on the support and expansion of economic development efforts throughout rural Arizona.

- Allocation of $2M in funding to support business creation/expansion
- Identification of potential investments determined in coordination with the Arizona Rural Development Board of Directors
- Focus on direct business development, as opposed to indirect efforts
- Allocation of an additional $250K in funding for tribal related economic development efforts
- Creation of off-site ACA offices in Flagstaff and Tucson designed to support statewide efforts
- Coordinate expansion of Arizona agricultural exports to foreign markets, as well as foreign investment within rural areas
Arizona Marketing Strategy

**OBJECTIVE:** To create a national and international marketing program designed to inform and attract business investors/operators of how Arizona represents the most compelling business environment in the United States.

- Allocation of funding: $10M over five years, leveraged by private and public funds outside of ACA resources, resulting in a $20M campaign
- Focus of marketing would be first and foremost centered on the Arizona Business opportunity
- Efforts would be strategically and geographically determined and informed by research concerning aligning Arizona assets to global appetite
- Marketing would highlight Arizona natural resource and quality of life assets, as well as the most pro-business environment in the country
- Campaign would also highlight key Arizona business leaders/success stories
- Anticipated Launch: Spring, 2012
Arizona Infrastructure Advancement

OBJECTIVE: To coordinate and pursue the enhancement of Arizona’s transportation and utility infrastructures as a means of economic expansion.

- Coordinate such efforts with ADOT and MAG Economic Development Committee
- Collaboration with Arizona Universities in research and strategy formation
- Identify and focus upon specific economic development outcomes
- ACA to serve as a significant advocate and voice in such pursuits
- Vice President of Infrastructure Advancement hired
ACA Partnership Initiatives

OBJECTIVE: To facilitate and leverage the strength of Arizona’s economic development entities into a unified and strategic approach.

Recommendations:

• ACA becomes a member and financial supporter of GPEC, TREO and the Arizona Chamber of Commerce

• Financial support would reflect the identification of strategic roles GPEC, TREO and the AZ Chamber would perform in collaboration with the ACA

• Budget: $400,000

• Results would focus upon:
  • ED Partners: Coordination of ACA strategies, marketing and attraction efforts with local governments
  • AZ Chamber: Identification, analysis and recommendations concerning current or alternative business policy pursuits worthy of ACA support