

## GROWING AND STRENGTHENING ARIZONA'S ECONOMY

focused and targeted strategy to improve Arizona's economy by facilitating quality job creation through business:

- Attraction
- Creation

The ACA has a

Expansion

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

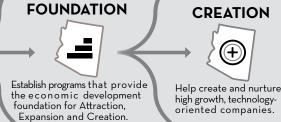
> Deliver programs, services and incentives to companies and projects to facilitate quality iob creation.

#### **Engage**

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

## Develop

# **Deliver**



Attract new companies and investments to the state. **Capital** 

Increase Average Help grow and retain

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

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

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

5-Year Goals

#### THE ACA'S FISCAL YEAR 2015 HIGHLIGHTS - 1,987 COMPANY ENGAGEMENTS

# **ATTRACTION**

#### 202

opportunities

F Y 14		F Y 15
107	Early Stage	107
46	Late Stage	52
39	Closed/Won <sup>1</sup>	43

The Attraction team engaged 202 overall opportunities, including a significantly increased number of rural opportunities.

The Expansion team engaged 327 overall opportunities, including a significantly increased number of rural

614

\$27.0M

\$53,740

A total of 69 companies received financial and/or technical assistance through the ACA's Creation programs: the Arizona Innovation Challenge (AIC), AZ Fast and Small Business Innovation Research (SBIR). The biannual AIC, for example, awards

	Targeted Industries <sup>2</sup>	Rural <sup>2</sup>
Jobs	5,661	506
Capital Investment	\$625.6M	\$199.5M
Wages	\$63,300	\$35,418

4,120

\$336.8M

\$53,194

The Financial Programs team administered 1,012 new applications and reports.

<sup>1</sup>Closed/Won opportunities are client projects that conclude with a successful location or expansion decision. These 43 closed/won opportunities constitute are included within the total jobs, capital investment and wages shown under The ACA's Fiscal Year 2015 Results (to the right)

**ATTRACTION** 

**EXPANSION** 

business in the state.

<sup>2</sup>The figures in the Targeted Industries and Rural columns represen the jobs, capital investment and wages associated with the subset of closed/won opportunities that occurred in Targeted Industries

#### **EXPANSION**



**327** 

opportunitie

	FY14	FY15	
es	161	Actively Engaged	243
	58	Closed/Won <sup>1</sup>	84

115		iar
243	Jobs Jobs	
	Capital Investment	
84	Wages	

opportunities

<sup>1</sup>Closed/Won opportunities are client projects that conclude with a successful location or expansion decision. These 84 closed/won opportunities constitute the total jobs, capital investment and wages shown under The ACA's Fiscal Year 2015 Results (to the right).

The figures in the Targeted Industries and Rural columns represent the jobs, capital investment and wages associated with the subset of closed/won opportunities that occurred in Targeted Industries

### **CREATION**



446 applications from Arizona companies

FY14		F Y 15
357	Applications	446
75	Awards	69

\$3M per year to advance innovation and technology commercialization opportunities in Arizona. Companies applying to Creation programs (446) become the ACA's "pipeline" for future ACA service and consultation opportunities outside of Creation program parameters.

### FINANCIAL PROGRAMS



1.012 new incentive applications and reports

FY14		FY15
203	Pending	280
123	Under Review	155
952	Reviewed	857
743	Active	716

Assisted Companie \$28.1M Tax Credits and Abatements 211 \$**21.5**M 18 \$4.6M Loans \$49.1M 298

Reflects tax credits, property tax reductions and sales and use tax exemptions approved under the Angel Investment, Computer Data Center, Healthy, Forests, Military Reuse Zone, Qualified Facility, QualityJobs, R&D, Renewable Energy Tax Incentives and Commercial Solar programs. Amounts are estimates based on approvals and do not reflect amounts actually claimed or legacy programs no longer open to new applicants <sup>2</sup>Grants approved under the Arizona Competes, Job Training and Rural Economic Development Grant programs. Does not include Arizona Innovation Challenge, FAST or STEP grant programs. Dollar amounts shown are the amounts approved and do not reflect the amounts paid in 2015. Grants are paid over time upon achievement of performance milestones. Loans made under the AIAF program.

<sup>4</sup>Bond capacity allocated (closed) under the Private Activity Bonds program.

#### **FOUNDATION**



statewide, long-term economic development initiatives. including:

Super Bowl XLIX Visiting CEO Program. During Super Bowl XLIX, the ACA hosted a highly successful four-day program in which executives from 70 companies participated. In total, 19 states plus Washington, D.C., and several international markets were represented. While in Arizona, attendees learned about and experienced Arizona's key assets and pro-business environment first hand. The program resulted in several company expansions

Arizona State Trade and Investment Office. The ACA led the strategic expansion of Arizona's presence and investment in Mexico with the launch of the Arizona State Trade and Investment Office in Mexico City. The trade office will assist Arizona companies in successfully entering the Mexican market. Additionally, it will attract new companies and investments that will contribute to Arizona's economy. The office will focus on targeted sectors that include aerospace and defense, medical devices, biosciences and IT (software and hardware).

Start Up Ecosystem Website. As part of its ongoing efforts to strengthen Arizona's vibrant innovation ecosystem and support the state's entrepreneurs, the ACA launched a new Start Up section of AZCommerce.com. The Start Up section was designed as a result of proactive engagement and strategic dialogue among leaders within Arizona's startup community. Insights gathered resulted in the development of this centralized resource connecting all things entrepreneurial in Arizona.

#### The ACA's Fiscal Year 2015 Results

All figures represent three-year projections

					All ligares represent times	. /
	1Q	2Q	3Q	4Q		<b>Y15</b>
New Jobs¹	3,342	5,312	4,970	4,690	15,000	,314
Capital Investment <sup>2</sup>			\$632.4M	\$ <u>453.4</u> M	\$1.2B \$1	.51B

\$82.2M \$62,056 \$50,897

149%

182%<sup>4</sup>

\$55,959 \$41,142 \$53,439 164% 121% 157%

> Figures in this section represent direct jobs Figures in this section represent direct capital investment

\$51,809

152%

<sup>3</sup> Figures in this section represent average wages Figures in this section represent the average wages in the section above as a percentage of the 2011 baseline wage of \$34,110

## Total Economic Impact of FY15

Multiplier Effect Over 5 Years

	Direct, Indirect and Induced Jobs	Economic Output	Tax Revenue
FY13	32,261	\$15.73B	\$366.5M
FY14	39,995	\$ <b>22.08</b> B	\$736.3M
FY15	40,649	\$ <b>21.12</b> B	\$590.4M
Total	112,905	\$ <b>58.93</b> B	\$ <b>1.693</b> B
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Analysis performed by Elliott D. Pollack & Co. based on ACA input