

ANNUAL REPORT FISCAL YEAR 2018



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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.



BUSINESS & FINANCIAL
SERVICES



ADVANCED
MANUFACTURING



AEROSPACE
& DEFENSE



BIOSCIENCE
& HEALTH CARE



FILM & DIGITAL
MEDIA



TECHNOLOGY
& INNOVATION

FROM THE PRESIDENT & CEO

I'm proud to report that the ACA had another year of record-breaking results in FY 2018!

During the first year under our new five-year strategic plan, we once again exceeded our goals and proved that bold new ideas are worth embracing. The ACA worked on 87 projects with companies that committed to creating 21,102 projected new jobs that have an average wage of \$54,194 and investing \$2.49 billion into our communities.

As you'll read in the pages that follow, there were many initiatives that earned Arizona "first in the nation" status and global recognition including: the establishment of SkyBridge Arizona, the first inland air cargo port that houses both U.S. and Mexican customs; the launch of the Fintech Sandbox legislation signed by Governor Ducey, making Arizona the first state to establish a program for testing innovative new financial products and services; and the creation of the AZSkyTech program, bringing together nearly 60 industry partners to advance the testing of Unmanned Aircraft Systems (UAS) in Arizona.

Under Governor Ducey's direction, the ACA also led the nomination process to designate Opportunity Zones in Arizona, as part of a new federal program announced by the U.S. Department of the Treasury. Arizona was among the first states to have our Opportunity Zones approved, allowing property owners and investors to begin conceptualizing projects that will provide an economic boost to our communities that need it the most.

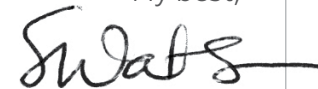
In addition, during FY 2018 the ACA continued to help build momentum in Arizona's entrepreneurial ecosystem, enhance rural economic development, support small and medium sized businesses, increase international trade and investment, develop the workforce of the future and market Arizona's advantages to audiences around the world.

True to our pioneering spirit, we're always looking to the future – encouraging new ideas and innovative approaches when it comes to moving our state forward and creating new opportunities for our citizens.

It is important to recognize that we could not continue to achieve success year after year without the leadership and guidance of our board of directors, chaired by Governor Doug Ducey, and the entire ACA team. Together, we're honored to work hard on behalf of the state that we are so proud to call home.

I hope you enjoy our Fiscal Year 2018 annual report.

My best,



Sandra Watson
President & CEO

Arizona Commerce Authority



BOARD OF DIRECTORS

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

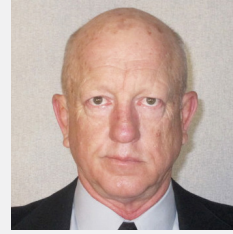
EXECUTIVE COMMITTEE MEMBERS



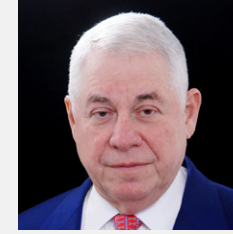
Governor Doug Ducey
Chairman



Brian Mueller
Co-Chairman
President and CEO
Grand Canyon University



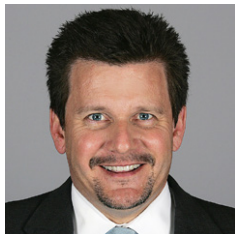
Gary Abrams
CEO and President
Abrams Airborne
Manufacturing



Richard Adkerson
President and CEO
Freeport McMoRan
Copper & Gold



Sandra Watson
President and CEO
Arizona Commerce Authority



Michael Bidwill
President
Arizona Cardinals



Mark Bonsall
General Manager and CEO
Salt River Project



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



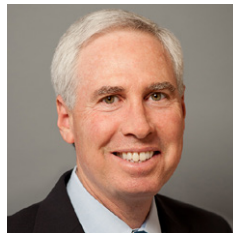
Dr. Rita Cheng
2018 Ex-Officio Member
President
Northern Arizona University



Dr. Michael Crow
2018 Ex-Officio Member
President
Arizona State University



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



David Goldstein
President
Diamond Ventures, Inc.



Dawn Grove
2018 Ex-Officio Member
Chairperson
Arizona Workforce Council



Mignonne Hollis
President and CEO
Business & Tax Analyst, LLC



Maria Harper-Marinick
2018 Ex-Officio Member
Chancellor
Maricopa Community College
District

BOARD OF DIRECTORS



John Kaites
Founding Partner
Global Security Innovative
Strategies



James Keeley
Founding Partner
Colliers International



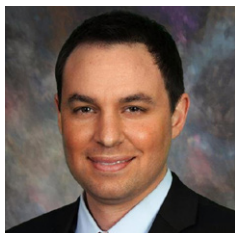
Eileen Klein
2018 Ex-Officio Member
Arizona State Treasurer



Dr. Taylor Lawrence
President
Raytheon Missile Systems



Stephen Macias
President and CEO
Pivot Manufacturing



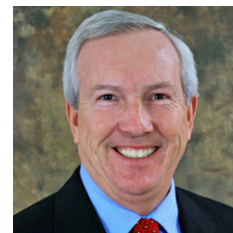
**Honorable Speaker
J. D. Mesnard**
2018 Ex-Officio Member
Arizona House of
Representatives



William Pilcher
CEO
USI Insurance Services, LLC



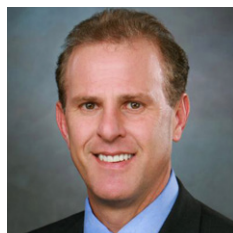
Donald Slager
President and CEO
Republic Services, Inc.



Anthony Smith
President
County Board of Supervisors
Association



Victor Smith
President and Owner
JV Farms



Honorable Jay Tibshraeny
2018 Ex-Officio Member
President
League of Arizona
Cities and Towns



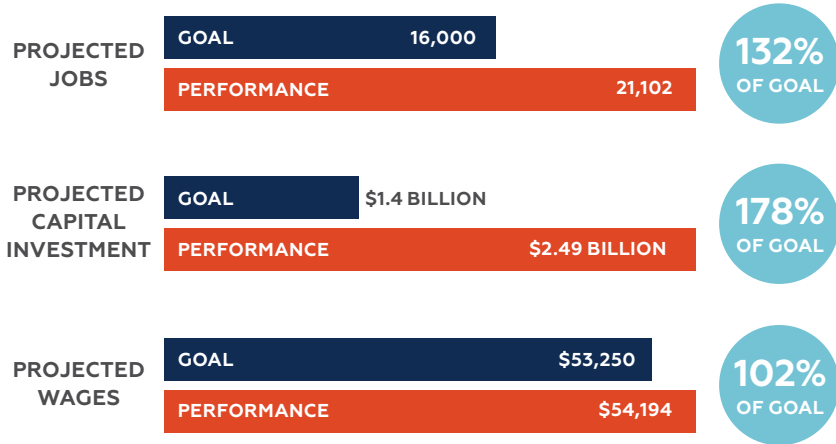
Dr. Robert Robbins, M.D.
2018 Ex-Officio Member
President
University of Arizona



**Honorable President
Steve Yarbrough**
2018 Ex-Officio Member
Arizona Senate

EXECUTIVE SUMMARY

September 20, 2017: the ACA Board of Directors voted to approve the next five-year business plan for the organization.



2,005
engagements with
small, medium and large
businesses

21,102
projected new jobs

\$54,194
average salary

\$2.49B
projected capital
investment

\$30.31B
projected economic
output



13 corporate headquarters attraction and expansion projects



69 rural Arizona communities visited



168 Arizona Census tracts across all 15 counties designated as Opportunity Zones



60+ industry partners joined the AZSkyTech program for advancing Unmanned Aircraft Systems (UAS)



3,500+ attendees and nearly 100 exhibitors participated in the inaugural Arizona-Sonora Business Expo in March 2018



79 Arizona companies assisted through the ACA's Arizona State Trade & Investment Office in Mexico City



131 Arizona film & digital media productions assisted

BUSINESS ATTRACTION & EXPANSION RESULTS

FISCAL YEAR 2018 CLIENTS AND TOTALS

87 PROJECTS	\$2.49B CAPITAL INVESTMENT*
21,102 PROJECTED NEW JOBS*	\$54,194 AVERAGE SALARY*

COMPANY • 1ST QUARTER

84 Lumber
Aquafil Group
Arizona Nutritional Supplements
B. Braun of America
Ball Corporation
Bank of the West
Concentrix
Empereon-Constar
EuroContempo Cabinetry
Fin Exploration Company
Hop Knot Brewery, LLC
L & H Industrial Inc - Tempe
Lockheed Martin Corporation
Manufacturing Technologies Inc.
MFour Mobile Research
MPW Manufacturing Services, LLC.
NantEnergy (Formerly Fluidic Energy)
Northwest Healthcare
Optima Tax Relief, LLC
Runbeck Election Services, Inc.
Splash
Titan LED, Inc.
TuSimple
United Parcel Service, Inc.
Versum Materials
Welbrook Skilled Nursing
ZipRecruiter

COMPANY • 2ND QUARTER

Atlas Copco
Botanical Food Company, Inc
Brightside Benefit Inc.
Burns McDonnell
Capco Labs
Cenlar - Tempe
Chewy, Inc.
CIOC International
Comprehensive Health Management, Inc
Convergys
Eclipse Automation
Kelpac Medical
LAI International
Martech Medical Products
Mesker Openings Group
Mister Car Wash
Morgan Stanley - New York
MST Solutions
On Q Financial
PayPal - Scottsdale
Quicken Loans
Solera Health
Stanley Convergent Security Solutions Inc.
Top Golf

COMPANY • 3RD QUARTER

Advanced Manufacturing & Power Systems
Allstate Insurance Company
Amazon Corporate LLC
Bravada Yachts
Boeing Company
EdgeCore Data Centers
Footprint USA
GEICO - Tucson
Good Health Manufacturing
Hoy Health LLC
Ingram Micro
King Koil
Nikola Motor Company
Orbital ATK - Armament Systems
Orbital ATK, Inc.
Pure Care
Quality Plastics Of Prescott
TailStorm Health Inc.

COMPANY • 4TH QUARTER

Airobotics
Amazon Corporate LLC
AQST Space Systems
Aronic (FKA Alcoa Fastening Systems)
Axiscades
Cognizant Technology Solutions - Phoenix
Deloitte Tax LLP - Los Angeles
Diplomat Pharmacy
Freedom Financial Network
Freshly, Inc. - Customer Service
Inteplast Group, Ltd. - Phoenix
MD Helicopters, Inc.
Nammo Talley Defense System
Northwest Healthcare
PillPack
Piper Plastics, Inc.
Prenexus Health, LLC
Q.E.P. Co., Inc.

* Three-year projections

STRATEGIC INITIATIVES

Each year, the ACA pursues many strategic opportunities to advance our mission of growing Arizona's statewide economy and creating new opportunities for our residents. During Fiscal Year 2018, the first year operating under the ACA's new five-year plan, significant progress was made in the following areas:

Next-Gen Tech Trends

Two key achievements during this Fiscal Year advanced the ACA's strategy of leveraging next-gen technology trends to drive economic development in Arizona:

- **AZSkyTech** was formed under Governor Ducey's direction to position the state as the premier place in the world to responsibly test, deploy and advance Unmanned Aircraft Systems (UAS) technology and policy. AZSkyTech draws upon the collective strengths of nearly 60 national, state and private industry partners who have come together to safely advance the development and deployment of UAS in Arizona. AZSkyTech airspaces span the entire state, covering more than 40% of the landmass and 90% of the population.



ARIZONA IS THE FIRST IN THE NATION TO CREATE A FINTECH SANDBOX.

- **Arizona's FinTech Sandbox** was established when Governor Ducey signed H.B. 2434 into law in March, making Arizona the first in the United States to create a program for the testing of innovative new financial products, services, business models and delivery mechanisms. Companies approved and overseen by the Arizona Attorney General's Office can test in the real market on a limited basis without incurring the regulatory costs and burdens that would otherwise be imposed. In May, the ACA was invited to deliver a keynote and participate on a panel at the FinTech World Forum in London, which was attended by over 300 representatives from the world's leading financial firms including IBM, Barclaycard, WU, Oracle, NetApp, CapitalOne, Starling Bank, and Silicon Valley Bank.

STRATEGIC INITIATIVES

Arizona Opportunity Zones & Opportunity Funds

The federal Opportunity Zones program was created under a provision of the Tax Cuts and Jobs Act, which was signed into law December of 2017. Investors who reinvest capital gains monies in Opportunity Funds will receive reductions on capital gains taxes relative to the years of their investment. Under Governor Ducey's direction and the ACA's leadership, on April 8 Arizona became one of the first states to have its Opportunity Zone nominations approved by the U.S. Department of the Treasury.

168

qualifying tracts

- **168 qualifying Arizona Census** tracts were designated as Opportunity Zones. The ACA worked closely with city, county and tribal leaders across the state to ensure that each of Arizona's 15 counties has at least one zone.
- **In May 2018**, the ACA held its first Opportunity Zones & Opportunity Funds Forum in partnership with the Council of Development Finance Agencies to cover the basic elements of the program and the strategic opportunities for companies and investors, attended by 183 participants.
- **In June 2018**, the ACA held a second Opportunity Zones & Opportunity Funds Forum, focused on ways the philanthropic community can leverage Opportunity Zones or Funds to advance their objectives. More than 25 leading nonprofit and philanthropic organizations attended the Forum.

183

participants

25

organizations



Arizona Zanjeros

The Arizona Zanjeros, a business leadership group consisting of 48 members appointed by Governor Ducey, continue to be a strong partner in the ACA's economic development efforts. During Fiscal Year 2018, three high-profile events were produced by the ACA and the Zanjeros:

- **A London CEO Forum** was held in October of 2017 in conjunction with the Arizona Cardinals-Los Angeles Rams exhibition game. Private meetings were held with C-suite executives from 11 companies, and representatives from seven companies were hosted in VIP accommodations at the game.
- **The Waste Management Phoenix Open CEO Forum** was held in January of 2018. C-Suite executives from 15 companies were hosted for a four-day event that included light programming to communicate Arizona's value proposition, attendance at the tournament in a VIP Skybox on the 17th green, and customized Arizona activities.
- **A Diplomatic Forum** was held in February of 2018 in conjunction with Governor Ducey's International State of the State address. 26 Consuls General and Trade Commissioners representing Mexico, Canada, Israel, the Netherlands, Vietnam, China, Germany, Switzerland, India, Japan, Sweden, Finland, Taiwan, the European-American Enterprise Council and the U.S. Chamber of Commerce were hosted for a two-day event that included industry panels and site tours.



RURAL ECONOMIC DEVELOPMENT

Increasing economic development activities in rural Arizona communities around the entire state is an important priority for the ACA. During FY 2018, stakeholders and business leaders in 69 rural Arizona communities were engaged and progress was made in the following areas:

- **\$1 million in Economic Strengths Program grant dollars** were awarded to the City of Casa Grande, the City of Prescott and Cochise County. The program is designed to support public transportation infrastructure projects in rural Arizona through a partnership between the ACA and ADOT.
- **Forestry industry restoration** in Arizona was accelerated by the ACA's strong engagement with the U.S. Forest Service, which controls 90% of Arizona's forested lands. The industry's revitalization will create jobs and investment in Arizona's rural forested regions, while also reducing the risk of catastrophic wildfires.

\$1 MILLION IN ECONOMIC STRENGTHS PROGRAM GRANT DOLLARS WERE AWARDED TO THE CITY OF CASA GRANDE, THE CITY OF PRESCOTT AND COCHISE COUNTY.



- **Broadband connectivity** in rural Arizona was advanced by the ACA's efforts in partnership with private industry, community leaders and state agencies to facilitate increased rural Arizona connectivity and redundancy. Greater broadband access is key to enhancing economic growth and prosperity in rural communities.
- **Economic diversification** in Page, Arizona was advanced through collaborative efforts between the ACA, the City of Page, Coconino County, SRP and the Economic Collaborative of Northern Arizona to devise strategies for enhancing the economic strengths of the area, eliminating barriers to business growth and identifying new target industries for business attraction efforts. This is critical for the region as the Navajo Generating Station will cease operation in December 2019.
- **Strategic economic development planning** was conducted by the Town of Eager, Arizona, which the ACA both funded and actively participated in.
- **A joint land use study** for Camp Navajo was executed to ensure compatible land uses around the military installation, with the intent to preserve its mission. The ACA participated in the study, which was sponsored by Navajo County.



INNOVATION & ENTREPRENEURSHIP

Supporting entrepreneurs and small business owners in creating new businesses and commercializing new technologies is a core part of the ACA's three-pronged mission. The following results were achieved by the ACA's suite of innovation programs during Fiscal Year 2018:

Arizona Innovation Challenge

The Fall 2017 round of the Arizona Innovation Challenge received 119 applications from early stage technology companies. Following three rounds of judging, six companies were awarded grant funding to help commercialize their technologies in Arizona:

- **GT Medical Technologies** is a bio and life sciences company that creates technologies designed to treat brain tumors.
- **Life365 Inc.** is a bio and life sciences company that provides remote healthcare solutions through mobile technologies.
- **Paradox, LLC** is a software company that built an artificial intelligence tool for the recruiting industry.
- **Renewlogy** is a clean technology company developing solutions to prevent landfill-bound waste.
- **Resonea** is a bio and life sciences company that develops sleep disorder diagnostic tools.
- **SimpleWAN** is a software company that provides an all-in-one, cloud-based networking solution for branch offices, service centers, stores and franchises.

Venture Ready

Venture Ready connects Arizona talent with rich resources, partnering an entrepreneur with a seasoned CEO to coach them through a series of five rigorous panels over a 12-month period, resulting in a stronger business model. A total of 36 panels were conducted, and seven Arizona companies successfully graduated from Venture Ready during Fiscal Year 2018:

2018 Venture Ready Graduates

SmartClinic | VIVA HR | Attribytes | WIQ Pinnacle

Smart Brain Aging | Life 365 | Hourbands

Invest Southwest

In partnership with the ACA, Invest Southwest provides programming to connect investors to the most promising startups in Arizona, including its signature event, the Venture Madness pitch competition. During Fiscal Year 2018, 81 Venture Madness applications from companies in seven western states were received. The competition culminated in a two-day event attended by more than 240 entrepreneurs, startups, venture capitalists, and angel investors. The following four companies were named as awardees:

Champion

Fullbay

Finalists

Seek | Swift Coat | Janiis

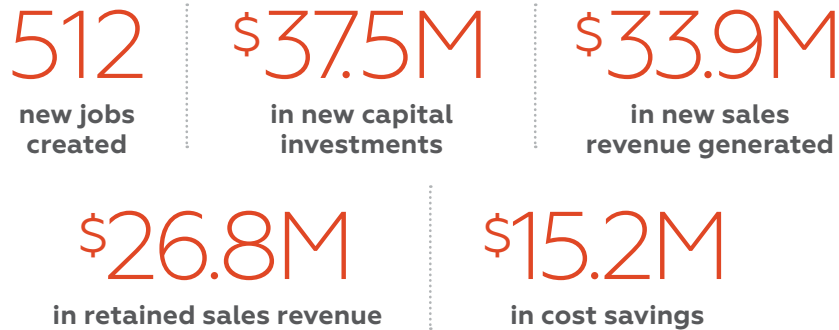


BUSINESS DEVELOPMENT

Small- and medium-sized businesses are critical to Arizona’s economic success, and the ACA is proud to support their growth through a robust suite of programs. The following results were achieved by the ACA’s business development programs during Fiscal Year 2018:

RevAZ

RevAZ is Arizona’s Manufacturing Extension Partnership (MEP), a federal program with centers in all 50 states and Puerto Rico dedicated to serving small and medium-sized manufacturers. RevAZ’s mission is “to make every Arizona manufacturer the most successful business it can be.” The group provides consulting services to Arizona’s manufacturers across the state and within all industries. During Fiscal Year 2018, through 96 engagements with 83 small- and medium-sized Arizona manufacturers, the following successes were reported by RevAZ clients:



The RevAZ program also presents a series of educational workshops and special events designed to assist manufacturers in achieving their goals. During Fiscal Year 2018, 189 representatives from 89 companies participated in the events.

ExporTech

Delivered through the RevAZ program, ExporTech is an “export bootcamp” that helps companies develop export plans specific to their product and customized for their optimal target markets. In Fiscal Year 2018, **the ACA graduated 14 Arizona companies from ExporTech.** Those companies are now successfully exporting to the following countries: Austria, Australia, Brazil, Canada, China, Colombia, Ecuador, Germany, India, Italy, Japan, Mexico, Singapore, the Netherlands.

Admiral Instruments

Phoenix

Ahssa Foods

Mesa

bioSyntagma

Scottsdale

CYR International

Mesa

Delta Technologies

Phoenix

Imagine Solutions Technology

Tucson

EyeTech Digital Systems

Mesa

Fluidic Energy

Mesa

Kypris Beauty

Scottsdale

State Seal

Chandler

Teaspressa

Phoenix

The OKB

Paradise Valley

TruColor Paint

Phoenix

Waterline Control Systems

Scottsdale

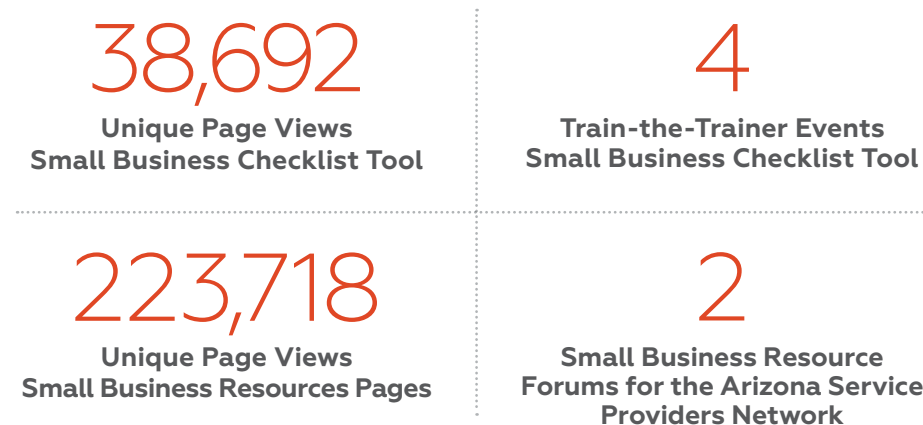
BUSINESS DEVELOPMENT

Arizona State Trade & Export Program

Arizona State Trade Expansion Program (AZSTEP) assists Arizona small businesses to export proactively for the first time and also companies that want to tap into new export markets. During Fiscal Year 2018, AZSTEP worked with 113 Arizona small businesses, helping them to export throughout the world with a particular focus on North America, Europe, Asia and the Middle East.

Small Business Services

The ACA offers dedicated resources to assist existing and prospective Arizona small business owners. The most utilized of these resources is the free, interactive Small Business Checklist tool – an online, interactive tool designed to help entrepreneurs start, operate and grow a business in Arizona and navigate to commonly requested licensing information. During FY 2018, the Small Business Services team achieved the following results:



Arizona 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, with services ranging from location scouting to equipment and crew selection and from casting through post-production.



DURING FISCAL YEAR 2018,
THE ARIZONA OFFICE OF FILM & DIGITAL
MEDIA HELPED **131 FILM AND MEDIA**
PRODUCTIONS THROUGHOUT
THE STATE.

- The Reel Savings Industry Discounts Program added several significant vendors including Arizona Marriott Hotels & Resorts and Enterprise Rent-A-Car. Reel Savings is a program that allows private-sector businesses in hospitality, restaurant, transportation, fashion and other service industries to support productions filming in Arizona by offering discounts or rebates.
- The Film Resource Coordinators Program reached 49 Coordinators around the state. Film Resource Coordinators are key individuals in rural communities to serve as point persons for the film industry, thus tapping into a talent pool of people who know and understand their area better than anyone else. They play a vital role by helping production crews navigate items like permitting during shooting in their areas.

WORKFORCE DEVELOPMENT

Ensuring Arizona employers have access to a pipeline of talent with the skills they require is critical to our state's continued economic growth and success. During Fiscal Year 2018, the ACA advanced the following initiatives to strengthen the statewide workforce, connect job seekers with employers and reduce the unemployment rate:

Arizona Workforce Preparedness Summits

The ACA convened industry and trade association representatives, community leaders and key stakeholders for five summits around Arizona to discuss strategies for better connecting employers with job seekers, particularly veterans, rehabilitated convicts and students.

- **November 15, 2017:** the first Arizona Workforce Preparedness Summit was held in Phoenix and attended by nearly 100 people.
- **February 13, 2018:** the Prescott Workforce Employment Summit was held at Yavapai College and attended by more than 50 people.
- **April 26, 2018:** Pima Community College hosted the Tucson Workforce Preparedness Summit, attended by more than 75 people.
- **May 8, 2018:** the Yuma Workforce Preparedness Summit was held at the Yuma Conference Center and was attended by more than 160 people.
- **June 20, 2018:** the final Workforce Preparedness Summit for Fiscal Year 2018 was held at ASU's Sandra Day O'Connor College of Law, with a specific focus on removing barriers to workforce reentry for previously incarcerated individuals, and was attended by nearly 200 people.



WORKFORCE DEVELOPMENT

Arizona Career Readiness Credential

A multi-agency, cross-disciplinary team was convened under the Arizona Management System’s 21st Century Economy Goal Council, to look for ways to increase workforce participation among people in their prime earning years and create an instrument to validate readiness for a job. The Arizona Career Readiness Credential (ACRC), officially launched in November 2017, validates a job seeker’s cognitive command of seven foundational skill areas that are critical to success in the world of work. For each of the following skill areas, a high-stakes, proctored assessment has been made available:

- Applied Mathematics
- Reading for Information
- Workplace Data and Graphics
- Communicating Effectively
- Teamwork and Collaboration
- Professionalism
- Critical Thinking and Problem Solving

First-year priorities included development of project standards, training and implementations in the local workforce areas, asset development, employer outreach and partnership development. Implementations are active in eleven of the state’s twelve local workforce areas. To date:

- 5,000+ e-badges, indicating a participant has improved by a full level in a skill area, have been earned by Arizona job seekers.
- 4,589 hours logged in the online ACRC courseware system by Arizona job seekers.
- 2,000+ assessments have been administered
- 500 full Arizona Career Readiness Credentials have been issued.
- 110 educators and workforce practitioners across the state have completed training and become Certified ACRC Proctors.
- 80% to 90% attainment rates seen in ACRC pilot programs.

ACRC Success Story

A young man in Payson had been flipping burgers his whole life. He wanted to do something where he could work with his hands and have a better future. He went to a local ARIZONA@WORK Career Center, where a case manager recommended he earn an Arizona Career Readiness Credential to improve his job prospects. He created an account, studied through the online courseware, sat for the proctored assessments and earned a Gold-Level credential. He took that credential with him to a job interview at Pulse Combustion, a manufacturer who recognizes the ACRC, where he was hired into a higher-value career field.

ACRC Success Story

In Phoenix, a job seeker was pursuing a Project Management Professional (PMP) certification. She had also recently earned an Arizona Career Readiness Credential. While still taking her PMP classes, she went to a job interview where a member of the interview panel recognized the ACRC she had stapled to her resume. He had seen a presentation about it and was happy to see that this candidate had it. The company hired that job seeker immediately, with the stipulation that she still complete her PMP certification after being hired, in part because she held an ACRC.

WORKFORCE DEVELOPMENT

Navigator Program

The ACA offers no-cost talent acquisition assistance to companies moving or expanding to Arizona through its Navigator program, administered by the Arizona Office of Economic Opportunity. Navigator also helps employers understand federal workforce programs and building strategic partnerships with vital community organizations.

During Fiscal Year 2017, 22 companies were assisted by the Navigator program and anticipated filling a total of 1,600 Arizona jobs.

22
companies

1,600
jobs



Arizona SciTech

Anchored at the ACA, Arizona SciTech is a grassroots collaboration among industry, academia, arts, civic and community leaders to promote science, technology, engineering and math (STEM) education and careers. During Fiscal Year 2018, SciTech held the nation's third largest celebration of STEM participants.

500K+
attendees

2,000+
events

800+
collaborators

80
Arizona cities & towns

Arizona SciTech also continued its first-of-its-kind Chief Science Officers (CSO) Program, in which middle and high school students are elected as STEM and innovation ambassadors in their schools. The third-year class included 320 chief science officers from 180 schools.

Also in Fiscal Year 2018, Arizona SciTech created a STEM School Community of Practice, one of the nation's first, co-developed in partnership with Intel, the Maricopa County Educational Service Agency, Arizona Science Center and the National STEM Ecosystems Project. The Community of Practice brings together nearly 40 schools from around Arizona to collaborate on STEM ideas and share best practices.

320
CSOs

180
schools

ARIZONA-MEXICO RELATIONSHIP

Under Governor Ducey's leadership, Arizona's relationship with Mexico is recognized as a national model in cross-border collaboration.

During FY 2018, the following accomplishments supported the continued growth of our relationship:

- The Arizona State Trade & Investment Office in Mexico City, which has a dual mission to help Arizona companies export their products and services into the Mexican market and to attract investment in Arizona by enterprises in Mexico, assisted 79 Arizona companies and entities.

79

Arizona companies assisted

- SkyBridge Arizona, the nation's first and only international air cargo hub to house both Mexican and United States customs, was announced in January 2018 by Governor Ducey. The first-of-its-kind service – created by historic agreements among United States Customs and Border Protection, Mexico's Administracion General de Aduanas and Phoenix-Mesa Gateway Airport – will create a gateway to Latin America by enabling companies to more efficiently and cost-effectively transport goods between countries. The Unified Cargo Processing Program seamlessly approves incoming and outgoing freight at Phoenix-Mesa Gateway Airport bound for customers on either side of the U.S.-Mexico border. The project is expected to increase cargo flights out of Phoenix-Mesa Gateway Airport by 2,000 a year, eventually reaching 10,000 by 2036.

+2,000

cargo flights per year

- The inaugural Arizona-Sonora Business Expo in March 2018 drew 100 exhibitors and 3,500 attendees. Held in Hermosillo, Sonora, the event facilitated mutually beneficial connections between businesses on both sides of the border. The Expo was presented by the ACA and the Secretaría de Economía de Sonora in partnership with Arizona-Mexico Commission and the Comisión Sonora-Arizona.

100

exhibitors

3,500

attendees

- The Arizona-Mexico Commission Economic Development Committee convened in June during the 2018 Arizona-Mexico Commission Summit, attended by more than 164 people. High-level speakers at the forum discussed the role of university research parks in spurring innovation and contributing to the economic development of the entire region. The ACA, its Sonoran counterpart, Governor Ducey and Sonora Governor Claudia Pavlovich together signed a memorandum of understanding about fostering collaboration on university research park development.

164

attendees



MARKETING ARIZONA

Communicating Arizona’s unique value proposition to audiences worldwide is an important part of the ACA’s day-to-day work. Establishing awareness of the many advantages our state has to offer, and telling our many success stories, is done through a highly-targeted marketing plan utilizing paid, owned, and earned media tactics to efficiently achieve the greatest reach possible.

EVENTS & TRADE SHOWS

80

domestic events

10

international events

MEDIA IMPRESSIONS

10M+

paid digital media impressions

7M+

paid print media impressions

Perfect Balance continued as the brand awareness campaign for Arizona in Fiscal Year 2018, combining business-focused facts with inspiring lifestyle imagery.

SOCIAL MEDIA

1,275,163

total social media impressions



WEBSITE VISITS

252K

unique visitors to azcommerce.com

EMAIL METRICS

1,055,126

emails sent

16.43%

open rate

.80%

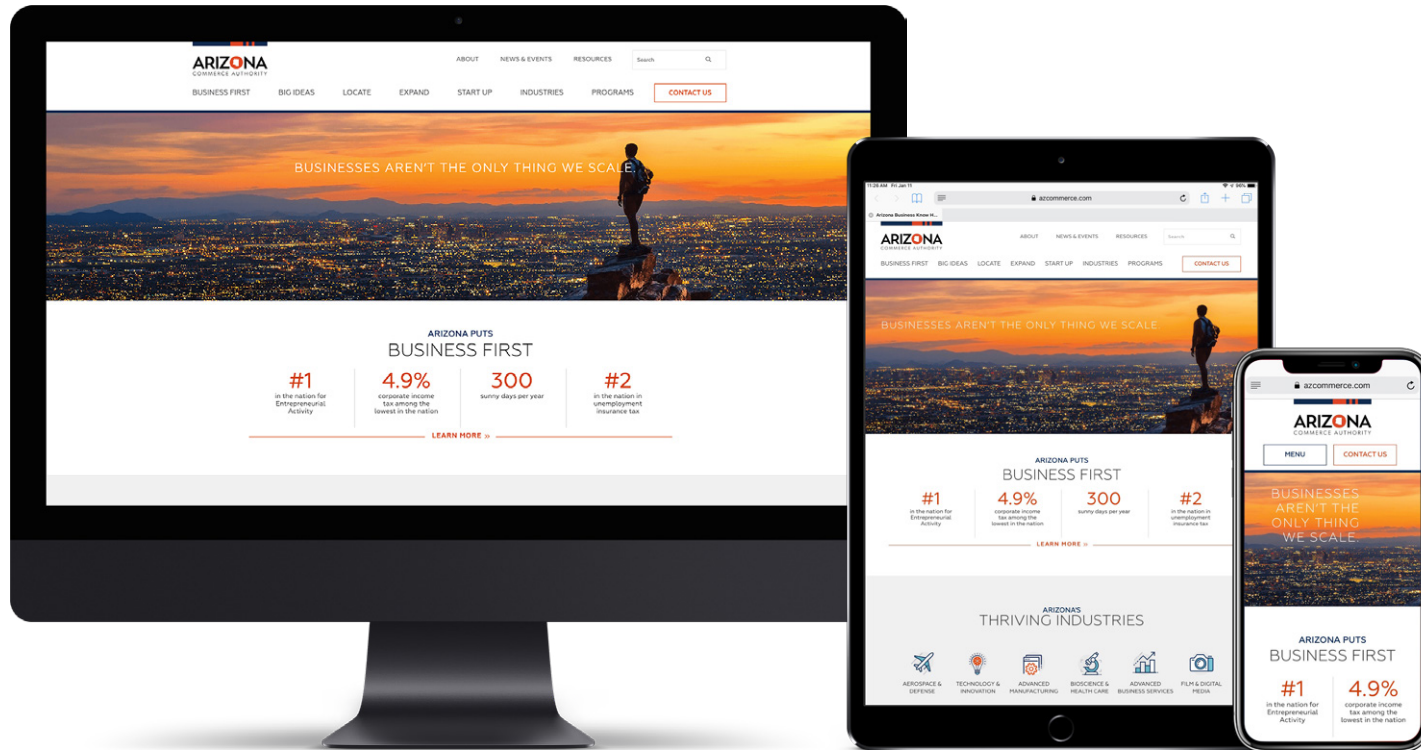
click through rate

2,281

new subscribers



MARKETING ARIZONA



252K
UNIQUE VISITORS
TO AZCOMMERCE.COM

At the beginning of Fiscal Year 2018, the ACA re-launched its website with an updated, modern feel and more intuitive organization of content.

WEBSITE RELAUNCH

FINANCIAL PROGRAMS REPORTS

Active Programs Summary

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TABLE 1 – FISCAL YEAR 2018 PRE-APPROVED ACTIVE PROGRAMS SUMMARY

NUMBER OF APPLICANTS PRE-APPROVED [1]	PROJECTED NEW JOBS [2]	AVERAGE WAGE OF PROJECTED NEW JOBS [2]	PROJECTED CAPITAL INVESTMENT [2]	INCENTIVES PRE-APPROVED IN YEAR BASED ON PROJECTIONS [3]
ARIZONA COMPETES FUND				
12	5,680	\$78,631	\$ 956,978,337	\$ 17,300,000
COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM				
52	N/A	N/A	\$ 9,314,595	\$ 595,019
COMPUTER DATA CENTER INCENTIVE PROGRAM				
3	N/A	N/A	\$ 600,000,000+	N/A
HEALTHY FOREST ENTERPRISE INCENTIVE PROGRAM				
1	52	\$37,440	N/A	N/A
INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM				
0	N/A	N/A	\$ 0	N/A
JOB TRAINING GRANTS PROGRAM				
36	3,475	\$49,075	N/A	\$ 9,026,416
MILITARY REUSE ZONE INCENTIVE PROGRAM				
4	0	N/A	\$ 628,898	\$ 16,081,300
QUALIFIED FACILITY INCENTIVE PROGRAM				
14	1,934	N/A	\$ 432,105,728	\$ 30,150,573
QUALITY JOBS INCENTIVE PROGRAM				
24	6,005	\$63,416	\$ 101,000,000+	\$ 54,045,000
RENEWABLE ENERGY INCENTIVE PROGRAM				
0	0	N/A	\$ 0	\$ 0
TOTALS/AVERAGE [4]	17,146	\$65,733	\$2,100,027,558	\$127,198,308

[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 2018 master client list (on 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 2018 master client list applied for incentives in Fiscal Year 2018 (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 2018 master client list).

TABLE 2 – FISCAL YEAR 2018 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				
101	5,041	\$78,056	\$ 799,501,406	\$ 4,702,060
ANGEL INVESTMENT INCENTIVE PROGRAM				
106	N/A	N/A	N/A	\$ 2,500,000
COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM				
38	N/A	N/A	\$ 7,592,776	\$ 407,827
COMPUTER DATA CENTER INCENTIVE PROGRAM				
0	N/A	N/A	\$ 0	N/A
HEALTHY FOREST ENTERPRISE INCENTIVE PROGRAM				
8	0	N/A	\$ 6,299,977	\$ 620,093
INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM				
1	N/A	N/A	\$ 100,000,000+	N/A
JOB TRAINING GRANTS PROGRAM				
39	1,933	\$49,795	N/A	\$ 2,251,487
MILITARY REUSE ZONE INCENTIVE PROGRAM				
7	0	N/A	\$ 47,460,496	\$ 2,189,203
QUALIFIED FACILITY INCENTIVE PROGRAM				
2	59	\$56,920	\$ 8,213,530	\$ 740,000
QUALITY JOBS INCENTIVE PROGRAM				
51	3,694	\$59,957	\$ 81,000,000	\$22,671,000
RENEWABLE ENERGY INCENTIVE PROGRAM				
0	0	N/A	\$ 0	\$ 0
RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM				
44	N/A	N/A	\$ 60,825,583	\$ 5,000,000
TOTALS/AVERAGE [4]	10,727	\$66,614	\$1,110,893,768	\$41,081,669

[1] Post-approval generally entails an award of incentives after an applicant has taken all steps necessary to establish final eligibility for the applicable incentive. Post-approval is reflected by (a) in the case of tax credit programs, a letter authorizing the applicant to claim tax credits through the Department of Revenue over a period of years; (b) in the case of grant programs, a payment to the applicant for achieving a grant milestone; or (c) in the case of a tax exemption program, a letter confirming the applicant's eligibility to claim the exemption. In some cases, the submission of a program report by an applicant is deemed to be post- 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 2018; as such, they may include jobs created and capital investment made prior to Fiscal Year 2018.

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

[4] Little overlap exists between the actual jobs and capital investment figures in this table and the projected jobs and capital investment figures of the ACA's Fiscal Year 2018 master client list (on page 8). This is primarily because the Fiscal Year 2018 master client list includes only projects that were announced in Fiscal Year 2018, 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, three ACA grant programs are funded through the ACF: Deal-closing Grants (A-1), Arizona Innovation Challenge Grants (AIC) and Rural Economic Development Grants (REDG).

DEAL-CLOSING GRANTS (A-1 Grants)

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

A.R.S. § 41-1545 defines an “Arizona basic industry” as manufacturing 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 for three to five years.

TABLE 3A – ARIZONA COMPETES FUND PROGRAM FISCAL • YEAR 2018 PRE-APPROVED A-1 GRANTS

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Ball Metal Beverage Container Corp	130	\$60,638	\$240,850,000	\$ 750,000
Bank of the West	1,027	\$74,196	\$ 24,628,337	\$ 3,000,000
Benchmark Electronics, Inc.	512	\$92,671	\$ 35,100,000	\$ 1,800,000
MUFG Union Bank, N. A.	1,755	\$82,955	\$149,100,000	\$ 5,000,000
Raytheon Company	1,975	\$75,000	\$492,300,000	\$ 5,000,000
Ziprecruiter, Inc.	262	\$75,924	\$ 15,000,000	\$ 250,000
FY 2018 TOTALS/AVERAGE	5,661	\$78,631	\$956,978,337	\$15,800,000

Table 3A – Post-Approved A-1 continued on next page >

TABLE 3A – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2018 POST-APPROVED A-1 GRANTS

FY 2018 APPLICANT (POST-APPROVED)		ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Silicon Valley Bank	FY 2018	38	\$ 88,888	\$ 0	\$ 280,000
	Cumulative	165	\$105,426	\$ 7,139,193	\$ 560,000
The Northern Trust Company	FY 2018	66	\$ 80,365	\$ 313,760	\$ 950,000
	Cumulative	455	\$ 80,055	\$ 22,227,191	\$2,550,000
Carlisle Companies, Inc.	FY 2018	8	\$ 27,775	\$ 2,169,657	\$ 300,000
	Cumulative	85	\$189,850	\$ 8,518,931	\$ 600,000
Orbital ATK, Inc (Gilbert, AZ)	FY 2018	51	\$116,287	\$ 3,642,304	\$ 229,500
	Cumulative	143	\$104,153	\$ 17,753,753	\$ 229,500
ZipRecruiter, Inc.	FY 2018	124	\$102,585	\$ 3,321,697	\$ 476,000
	Cumulative	238	\$ 89,938	\$ 5,348,407	\$ 476,000
McKesson Corporation	FY 2018	305	\$ 59,365	\$ 23,892,899	\$ 0
	Cumulative	331	\$ 59,000	\$ 28,099,641	\$ 0
World View Enterprises, Inc.	FY 2018	23	\$ 84,464	\$ 4,835,561	\$ 87,200
	Cumulative	48	\$ 71,869	\$ 11,667,088	\$ 87,200
Rogers Corporation	FY 2018	73	\$ 89,964	\$ 7,787,427	\$ 0
	Cumulative	101	\$ 93,118	\$ 9,412,836	\$ 0
Farmers Insurance Exchange	FY 2018	124	\$ 70,388	\$ 7,122,559	\$ 96,860
	Cumulative	229	\$ 65,351	\$ 12,660,844	\$ 96,860
Caterpillar Global Mining, LLC	FY 2018	131	\$117,302	\$ 13,229,070	\$ 0
	Cumulative	290	\$129,779	\$ 14,837,000	\$4,000,000
ADP	FY 2018	631	\$ 49,899	\$ 33,534,665	\$ 380,000
	Cumulative	631	\$ 49,899	\$ 33,534,665	\$ 380,000
DOT Foods, Inc.	FY 2018	116	\$ 43,754	\$ 38,820,924	\$ 0
	Cumulative	116	\$ 43,754	\$ 38,820,924	\$ 0
MUFG Union Bank N.A.	FY 2018	479	\$ 85,000	\$ 65,064,391	\$ 0
	Cumulative	479	\$ 85,000	\$ 65,064,391	\$ 0
Bank of the West	FY 2018	361	\$ 75,561	\$ 11,146,264	\$ 0
	Cumulative	361	\$ 75,561	\$ 11,146,264	\$ 0
Benchmark Electronics	FY 2018	127	\$ 51,830	\$ 30,445,717	\$ 0
	Cumulative	127	\$ 51,830	\$ 30,445,717	\$ 0
Raytheon Company	FY 2018	1,937	\$ 92,093	\$377,794,525	\$ 0
	Cumulative	1,937	\$ 92,093	\$377,794,525	\$ 0
ZipRecruiter, Inc.	FY 2018	49	\$ 76,247	\$ 0	\$ 0
	Cumulative	49	\$ 76,247	\$ 0	\$ 0
Ball Metal Beverage Corp	FY 2018	96	\$ 66,536	\$128,127,557	\$ 0
	Cumulative	96	\$ 66,536	\$128,127,557	\$ 0
FY 2018 TOTALS/AVERAGE [1]		4,739	\$ 79,745	\$751,248,977	\$2,799,560
CUMULATIVE TOTALS/AVERAGE [1]		5,881	\$ 83,470	\$822,598,927	\$8,979,560

[1] Grants with activity in Fiscal Year 2018.

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 2012-2018	8,660	\$78,585	\$999,933,290	\$18,476,890

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 2018 AIC GRANT AWARDS

FISCAL YEAR 2018 AWARDEES
SimpleWAN is a software company that provides an all-in-one cloud-based networking solution for branch offices, service centers, stores and franchises.
Renewlogy is a clean technology company developing solutions to prevent landfill-bound waste.
Resonea is a bio and life sciences company that develops sleep disorder diagnostic tools.
GT Medical Technologies is a bio and life sciences company that creates technologies designed to treat brain tumors.
Paradox, LLC is a software company that built an artificial intelligence tool for the recruiting industry.
Life365, Inc. is a bio and life sciences company that provides remote healthcare solutions and medical monitoring.

TABLE 3B – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2018 PRE-APPROVED AIC GRANTS

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
2018 TOTALS	19	N/A	N/A	\$1,500,000

TABLE 3B – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2018 POST-APPROVED AIC GRANTS

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2018 TOTALS	101	\$80,005	\$4,500,133	\$1,902,500

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

CUMULATIVE GRANT ACTIVITY	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
TOTAL GRANTS AWARDED FY 2012-2018	496	\$68,789	\$12,256,560	\$14,400,208

RURAL ECONOMIC DEVELOPMENT GRANTS (REDG)

REDG grants partially fund qualifying 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 Economic Development 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 2018 PRE-APPROVED REDG GRANTS

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
*No Activity				

TABLE 3C – ARIZONA COMPETES FUND PROGRAM • FISCAL YEAR 2018 POST-APPROVED REDG GRANTS

FY 2018 APPLICANT (POST-APPROVED) [1]	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
City of Coolidge	FY 2018 [2] 62	\$42,998	\$ 8,413,395	\$ 0
	Cumulative 175	\$42,998	\$15,000,000	\$ 369,156
Town of Prescott Valley	FY 2018 62	\$48,762	\$ 4,200,000	\$ 0
	Cumulative 136	\$43,098	\$13,500,000	\$ 500,000
Yuma County	FY 2018 3	\$45,000	\$ 6,739,367	\$ 0
	Cumulative 3	\$45,000	\$ 7,939,367	\$ 500,000
City of Kingman	FY 2018 2	[3]	\$ 199,534	\$ 0
	Cumulative 2	[3]	\$ 300,000	\$ 170,039
Town of Wickenburg	FY 2018 0	\$ 0	\$ 2,700,000	\$ 0
	Cumulative 0	\$ 0	\$ 5,000,000	\$ 250,000
City of Yuma	FY 2018 72	\$22,000	\$21,500,000	\$ 0
	Cumulative 72	\$22,000	\$21,500,000	\$ 0
FY18 TOTALS/AVERAGE [1]	201	\$37,254	\$43,752,296	\$ 0
FY18 CUMULATIVE TOTALS/AVERAGE [1]	388	\$39,136	\$63,239,367	\$1,789,195

[1] Grants with activity in Fiscal Year 2018.

[2] Fiscal Year 2018 average wage information is estimated.

[3] To protect the confidentiality of individual employee information, average wages are specified only for grantees that have created at least three jobs; the wage information is, however, included in the computation of the average wage of all jobs created.

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

CUMULATIVE GRANT ACTIVITY	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT	CUMULATIVE ACTUAL INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
TOTAL GRANTS AWARDED FY 2012-2018	1,528	\$33,104	\$189,139,287	\$6,428,572

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(27).

ACA may certify \$2.5 million of tax credits annually (plus any unused credits from prior years) from July 1, 2017 through June 30, 2021 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 the 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 2018 APPROVED INVESTMENTS

Certified Investor Applications	106
Unique Investors Receiving Tax Credits	80
Investors' Investments in Certified Companies	\$7,778,298
Certified Companies Receiving Investments	17
Tax Credits Approved	\$2,500,000

TABLE 4 – FISCAL YEAR 2018 APPROVED QUALIFIED SMALL BUSINESSES (QSB)

FY 2018 APPLICANT (APPROVED QSB)	CERTIFICATION DATE	FY 2018 APPLICANT (APPROVED QSB)	CERTIFICATION DATE
ReplyBuy, Inc.	7/13/17	MyLife Mobile, LLC	1/16/18
PersoKey, Inc.	7/24/17	Motion Warriors, LLC	1/24/18
Avery Therapeutics, Inc.	7/28/17	Disruptive Labs, LLC dba coManage	2/7/18
Recoleta Partners, LLC	8/10/17	bioSyntagma, LLC	2/15/18
Hathority, LLC	8/16/17	Data Driven Diagnostic Sciences, Inc., dba D3Sciences	3/14/18
USEED, Inc.	8/31/17	Tempronics, Inc.	3/19/18
SMART Neurotechnologies, LLC (aka Smart Brain Aging Inc.)	9/13/17	Emagine Solutions Technology, LLC	3/19/18
Yardhaus, LLC	9/18/17	Swift Coat, Inc.	3/19/18
Hyver Labs, LLC dba PERSOSA	10/2/17	NanoPEC, Inc.	3/21/18
Lawlytics, Inc.	10/4/17	vCandidates, LLC	4/19/18
Tiltify, Inc.	10/16/17	Regulonix Holding, Inc.	4/29/18
Symple Surgical, Inc.	10/20/17	StimAire, Inc.	4/30/18
AMNICAM, LLC	10/21/17	Codelucida, Inc.	5/2/18
Cyber Reconnaissance, Inc.	10/23/17	Polyceed, Inc.	5/7/18
Pyx Health, Inc.	10/31/17	ClickIPO Holdings, LLC	5/11/18
Beem Biologics, Inc.	11/3/17	Superior Silica, LLC	5/11/18
DevWerks, Inc.	11/14/17	Forced Physics, LLC	5/22/18
NuvOx Pharma, LLC	11/15/17	INanoBio, Inc.	5/23/18
Microclimatek Corporation	11/17/17	PowerGrow, LLC	6/14/18
PerioEndoscopy, LLC	11/21/17	Roverr, Inc.	6/25/18
RxActuator, Inc.	11/28/17	Reglagene Holding, Inc.	6/26/18
Perceptive Sensor Technologies, LLC	12/5/17	Post.Bid.Ship., Inc formerly TruckItNow, Inc.	6/28/18
iTether, LLC	12/8/17	Smart Clinic, LLC	6/28/18
GT Medical Technologies, Inc.	12/13/17	iTel Companies, Inc.	6/29/18
Hamilton Distillers Group, LLC	12/27/17	CATS Tonometer, LLC	6/29/18
Resonea, Inc.	1/5/18	TOTAL	51

COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM

The Commercial/Industrial Solar Energy Incentive Program provides an Arizona income tax credit to offset the cost of installation of a qualifying solar energy device at an Arizona business facility. The credits are authorized on a first-come, first-served basis and the program has an annual cap of \$1 million. The Program is effective through December 31, 2018.

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

TABLE 5 – FISCAL YEAR 2018 PRE-APPROVED COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM

FY 2018 APPLICANTS (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [1]	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
52	N/A	N/A	\$9,314,595	\$595,019

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

TABLE 5 – FISCAL YEAR 2018 POST-APPROVED COMMERCIAL/INDUSTRIAL SOLAR ENERGY INCENTIVE PROGRAM

FY 2018 APPLICANTS (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE [1]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
38	N/A	N/A	\$7,592,776	\$407,827

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

TABLE 5 – CUMULATIVE – COMMERCIAL/INDUSTRIAL SOLAR INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2012	\$ 10,553,771	\$ 376,385
2013	\$ 15,777,868	\$ 904,190
2014	\$ 33,792,806	\$ 764,516
2015	\$ 25,000,057	\$ 493,055
2016	\$ 27,738,941	\$1,030,245
2017	\$ 6,718,091	\$ 416,815
2018	\$ 7,592,776	\$ 407,827
TOTAL	\$127,174,310	\$4,393,033

COMPUTER DATA CENTER INCENTIVE PROGRAM

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

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

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

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

TABLE 6 – FISCAL YEAR 2018 PRE-APPROVED COMPUTER DATA CENTER INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	MINIMUM STATUTORY CAPITAL INVESTMENT [1]
MECP1 Mesa 1, LLC	\$200,000,000+
QTS Investment Properties Phoenix, LLC	\$200,000,000+
Loop 202 & Elliott Road, LLC	\$200,000,000+
TOTAL	\$600,000,000+

[1] For purposes of this table, the applicants “certified” in FY 2018 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 2018 POST-APPROVED COMPUTER DATA CENTER INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT
* No Activity	

TABLE 6 - CUMULATIVE COMPUTER DATA CENTER INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT MADE [1]
2014	\$1,000,000,000+
2015	\$ 250,000,000+
2016	\$ 0
2017	\$ 0
2018	\$ 0
TOTAL	\$1,606,707,843

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

HEALTHY FOREST ENTERPRISE 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.
- Employment income tax credit – Arizona income tax credit earned over a three-year period for each net new job created, totaling up to \$3,000 per employee.
- Workforce training income tax credit – Arizona income tax credit earned over a three-year period for each new employee trained, totaling up to \$9,000 per employee.

TABLE 7 – FISCAL YEAR 2018 PRE-APPROVED HEALTHY FOREST ENTERPRISE INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS [1]	AVERAGE WAGE OF NEW JOBS PROJECTED [1]	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Tri-Star Logging, Inc.	52	\$37,440	[2]	[2]
TOTALS/AVERAGE	52	\$37,440	[2]	[2]

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

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

TABLE 7 – FISCAL YEAR 2018 POST-APPROVED HEALTHY FOREST ENTERPRISE INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED IN YEAR BASED ON ACTUAL ACTIVITY
Southwest Forest Products, Inc.	N/A	N/A	[2]	[2]
Mann's Clean-up Service, Inc	N/A	N/A	[2]	[2]
Perkins Timber Harvesting, LLC	N/A	N/A	[2]	[2]
Canyon Creek Logging, Inc.	N/A	N/A	[2]	[2]
Tri Star Logging, Inc.	N/A	N/A	[2]	[2]
Novo BioPower LLC	N/A	N/A	[2]	[2]
Ribelin Logging Company	N/A	N/A	[2]	[2]
High Desert Investment Company	N/A	N/A	[2]	[2]
TOTALS/AVERAGE	N/A	N/A	\$6,299,977	\$620,093

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

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

TABLE 7 – CUMULATIVE HEALTHY FOREST ENTERPRISE 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
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
TOTALS/AVERAGE	N/A	N/A	\$29,480,231	\$1,933,482

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

INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

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

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

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

TABLE 8 - FISCAL YEAR 2018 PRE-APPROVED INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	MINIMUM STATUTORY CAPITAL INVESTMENT [1]
*No Activity	

[1] The amount identified in the "Minimum Statutory Capital Investment" column is the minimum amount of capital investment the applicant must make over a ten-year period. The actual amount is confidential pursuant to A.R.S. § 41-1520(H).

TABLE 8 - FISCAL YEAR 2018 POST-APPROVED INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL CAPITAL INVESTMENT [1]
Apple, Inc.	\$100,000,000+
TOTAL	\$100,000,000+

[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. The actual amount is confidential pursuant to A.R.S. § 41-1520(H).

CUMULATIVE INTERNATIONAL OPERATIONS CENTER INCENTIVE PROGRAM ACTIVITY

PRE-APPROVAL YEAR	ACTUAL CAPITAL INVESTMENT [1]
2016	N/A
2017	N/A
2018	\$100,000,000+
TOTAL	\$100,000,000+

[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. The actual amount is confidential pursuant to A.R.S. § 41-1520(H).

JOB TRAINING GRANTS PROGRAM

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

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

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

TABLE 9 – FISCAL YEAR 2018 PRE-APPROVED JOB TRAINING GRANT SUMMARY

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Ascensus, Inc.	54	\$ 34,040	\$ 54,138
Aspen Electric, LLC	15	\$ 47,995	\$ 120,000
Aurelius Solutions, LLC	6	\$ 48,333	\$ 48,000
Ball Metal Beverage Container Corp.	165	\$ 62,280	\$ 825,000
Bard Peripheral Vascular, Inc.	30	\$ 60,500	\$ 77,738
Brightside Benefit, Inc.	132	\$ 43,181	\$ 498,105
CEA Study Abroad, Inc.	24	\$ 51,291	\$ 73,685
Comprehensive Health Management, Inc.	80	\$ 37,850	\$ 400,000
Concentrix Services US, Inc.	35	\$ 37,834	\$ 28,521
CS Construction, Inc.	30	\$ 29,744	\$ 145,653
CTI, Inc.	140	\$ 45,815	\$ 552,526
CVS Pharmacy, Inc.	480	\$ 35,964	\$ 372,870
DexCom, Inc.	415	\$ 39,377	\$ 626,597
FlexPrint, Inc.	25	\$ 39,200	\$ 53,181
GlobalMed, formerly Global Media Group, LLC	60	\$ 49,667	\$ 480,000
HomeSmart International, LLC	20	\$ 57,950	\$ 21,027
IAC Industries, Inc.	39	\$ 35,943	\$ 71,100
InVue Security Products, Inc.	18	\$ 36,740	\$ 83,339
J. Gray Management, LLC	16	\$ 73,437	\$ 128,000
Kearney Electric, Inc.	41	\$ 37,609	\$ 205,000
Laboratory Science of Arizona, LLC	74	\$ 35,980	\$ 134,888
Mulberry Management Corporation	350	\$ 46,522	\$ 325,195
Nextiva, Inc.	386	\$ 38,829	\$1,300,000
Optima Tax Relief, LLC	78	\$ 38,113	\$ 139,609

Table 9 – Pre-Approvals continued on next page >

TABLE 9 – FISCAL YEAR 2018 PRE-APPROVED JOB TRAINING GRANT SUMMARY (CONTINUED)

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
PDQ Systems, Inc. dba CPR Electric	7	\$ 36,000	\$ 36,224
Progressive Services, Inc.	100	\$ 40,320	\$ 79,600
Rummel Construction, Inc.	50	\$ 36,774	\$ 250,000
Shutterfly, Inc.	40	\$ 77,000	\$ 157,118
Simpleview, Inc.	24	\$ 45,041	\$ 87,174
Stanley Black & Decker, Inc.	21	\$ 40,971	\$ 72,841
Stream Logistics, LLC	25	\$ 40,936	\$ 177,177
URSA Information Systems Inc.	80	\$ 69,562	\$ 640,000
ViaSat, Inc.	272	\$112,965	\$ 78,803
Visionary Automotive Group	99	\$ 66,111	\$ 531,579
Wildflower Bread Company	24	\$ 41,333	\$ 80,028
Y Electric Solutions, LLC	20	\$ 30,000	\$ 71,700
TOTALS/AVERAGE	3,475	\$ 49,075	\$9,026,416

TABLE 9 - FISCAL YEAR 2018 POST-APPROVED JOB TRAINING GRANT PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL INCENTIVES AWARDED BASED ON ACTIVITY
4C MEDICAL GROUP	18	\$ 36,611	\$ 5,724
ABC Ambulance, LLC	23	\$ 31,061	\$ 10,024
Ascensus, Inc.	4	\$ 48,760	\$ 1,830
Ball Metal Beverage Container Corp.	98	\$ 65,664	\$ 347,169
Bard Peripheral Vascular, Inc.	25	\$ 61,111	\$ 3,850
Boulder Boat Arizona, LLC	2	CONFIDENTIAL	\$ 3,045
Centene Corporation	200	\$ 63,570	\$ 74,936
Corbins Service Electric, LLC	74	\$ 41,022	\$ 201,222
CS Construction, Inc.	3	\$ 38,500	\$ 9,383
CTI, Inc.	28	\$ 33,911	\$ 44,478
CVS Pharmacy, Inc.	124	\$ 35,977	\$ 76,012
Davis Research, LLC	17	\$ 29,558	\$ 10,640
DexCom, Inc.	20	\$ 40,614	\$ 10,690

[1] To protect the confidentiality of individual employee information, average wages are specified only for grantees that have created at least three jobs; the wage information is, however, included in the computation of the average wage of all jobs created.

TABLE 9 - FISCAL YEAR 2018 POST-APPROVED JOB TRAINING GRANT PROGRAM (CONTINUED)

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL INCENTIVES AWARDED BASED ON ACTIVITY
Dot Foods, Inc.	56	\$ 40,886	\$ 58,258
GlobalMed, formerly Global Media Group, LLC	10	\$ 49,190	\$ 5,137
IAC Industries, Inc.	8	\$ 32,124	\$ 1,174
InVue Security Products, Inc.	3	\$ 41,280	\$ 6,625
J. B. Henderson Construction Company, Inc.	85	\$ 51,147	\$ 314,666
Joy Cone Co.	16	\$ 31,352	\$ 13,052
K2 Electric, Inc.	12	\$ 44,789	\$ 34,885
Kearney Electric, Inc.	7	\$ 38,331	\$ 8,498
Kovach, Inc.	33	\$ 41,149	\$ 38,749
Mulberry Management Corporation	25	\$ 43,578	\$ 21,405
NantEnergy, Inc. (Formerly Fluidic Energy)	4	\$119,375	\$ 7,423
Okland Management Corporation	21	\$ 71,117	\$ 2,518
Progressive Services, Inc.	2	CONFIDENTIAL	\$ 646
Rehabilitation Hospital of Northern Arizona (Ernest Health)	48	\$ 63,599	\$ 1,184
Republic Services Customer Resource Center West, LLC	95	\$ 35,734	\$ 54,260
Sante Operations, LLC	83	\$ 53,351	\$ 23,577
Simpleview, Inc.	6	\$ 45,094	\$ 1,795
Sitelock, LLC	74	\$ 43,134	\$ 66,968
Stream Logistics, LLC	6	\$ 45,094	\$ 23,331
Sundt Construction, Inc.	120	\$ 50,626	\$ 5,029
The Northern Trust Corporation	320	\$ 58,394	\$ 231,042
Triage Now, LLC	29	\$ 46,370	\$ 21,666
University Mechanical & Engineering Contractors, Inc.	110	\$ 44,692	\$ 423,679
VinoPRO, Inc.	8	\$ 29,000	\$ 17,380
Western Industrial Resources Corporation	98	\$ 36,835	\$ 25,616
Willmeng Construction Co.	18	\$ 63,285	\$ 43,920
TOTALS/AVERAGE	1,933	\$ 49,795	\$2,251,487

[1] To protect the confidentiality of individual employee information, average wages are specified only for grantees that have created at least three jobs; the wage information is, however, included in the computation of the average wage of all jobs created.

TABLE 9 - CUMULATIVE JOB TRAINING GRANTS PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY [1]
2011	313	\$44,312	\$ 237,384
2012	1,136	\$41,012	\$ 1,418,496
2013	2,768	\$41,382	\$ 5,407,178
2014	2,545	\$46,165	\$ 3,367,710
2015	2,614	\$40,442	\$ 4,403,213
2016	4,107	\$47,211	\$ 6,876,269
2017	2,878	\$46,190	\$ 3,205,927
2018	1,933	\$49,795	\$ 2,251,487
TOTALS/AVERAGE	18,294	\$44,894	\$27,167,664

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

MILITARY REUSE ZONE INCENTIVE PROGRAM

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

An applicant for the MRZ Program must be located within a military reuse zone to qualify for 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 (18% assessment ratio) to class six (5% assessment ratio), which may result in property tax savings of up to 72.2% for a period of five years.

TABLE 10 – FISCAL YEAR 2018 PRE-APPROVED MILITARY REUSE ZONE INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$380,794	\$ 9,785,580
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 62,862	\$ 1,615,427
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 14,855	\$ 301,745
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$170,386	\$ 4,378,549
TOTALS	N/A	N/A	\$628,898	\$16,081,300

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

TABLE 10 – FISCAL YEAR 2018 POST-APPROVED MILITARY REUSE ZONE INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 4,127,407	\$ 167,116
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 199,994	\$ 7,854
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 6,659,942	\$ 314,501
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$16,238,687	\$ 761,859
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 1,391,197	\$ 65,269
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$10,021,791	\$ 470,185
Phoenix-Mesa Gateway Airport Authority [1]	N/A	N/A	\$ 8,821,477	\$ 402,419
TOTALS	N/A	N/A	\$47,460,496	\$2,189,203

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

Tables 10 – Cumulatives on next page >

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

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE [1]	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
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
TOTALS/AVERAGE	62	\$74,270	\$71,040,128	\$3,219,022

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

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

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED [1]	AVERAGE WAGE OF NEW JOBS CREATED [1]	ACTUAL CAPITAL INVESTMENT MADE [1]	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
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
TOTALS/AVERAGE	2,337	\$ 97,987	\$6,496,854	\$1,235,475

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

QUALIFIED FACILITY INCENTIVE PROGRAM

The Qualified Facility Incentive Program provides a refundable tax credit to eligible companies investing in qualifying facilities and creating jobs. The Qualified Facility tax credits are authorized on a first-come, first-served basis. The program has an annual cap of \$70 million. Through December 31, 2017, this cap was shared with the Renewable Energy Tax Incentive Program.

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

- Make a Capital Investment to establish or expand a Qualified Facility that devotes at least 80% of the property and payroll to qualified manufacturing, manufacturing-related research and development, or manufacturing-related headquarters.

- Create net new full-time employment positions for the project, of which at least 51% must pay qualifying wages.
- Offer to pay at least 65% of the health insurance premiums for all net new full-time employment positions.

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

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

TABLE 11 – FISCAL YEAR 2018 PRE-APPROVED QUALIFIED FACILITY INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
RJR Technologies, Inc.	[1]	N/A	[1]	\$ 398,500
Modern Industries, Inc.	[1]	N/A	[1]	\$ 3,800,000
CGM, LLC	[1]	N/A	[1]	\$ 5,000,000
Versum Materials, Inc.	[1]	N/A	[1]	\$ 2,100,000
Central Admixture Pharmacy Services, Inc.	[1]	N/A	[1]	\$ 2,006,073
Hop Knot Brewing, LLC	[1]	N/A	[1]	\$ 760,000
Benchmark Electronics, Inc.	[1]	N/A	[1]	\$ 3,100,000
Pilgrim Screw Corporation	[1]	N/A	[1]	\$ 35,000
Orbital ATK, Inc. – Mesa	[1]	N/A	[1]	\$ 440,000
Orbital ATK, Inc. – Chandler	[1]	N/A	[1]	\$10,000,000
Inteplast Group Corporation	[1]	N/A	[1]	\$ 121,000
Gorbel, Inc.	[1]	N/A	[1]	\$ 130,000
Seattle Tacoma Box Company	[1]	N/A	[1]	\$ 1,240,000
Fujifilm Electronic Materials U.S.A., Inc.	[1]	N/A	[1]	\$ 1,020,000
TOTALS/AVERAGE	1,934	N/A	\$432,105,728	\$30,150,573

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

Table 11 – Post-Approvals and Cumulatives on next page >

TABLE 11 – FISCAL YEAR 2018 POST-APPROVED QUALIFIED FACILITY INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT MADE	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
CornellCookson, Inc.	[1]	[1]	[1]	\$340,000
Carlisle Construction Materials, Inc.	[1]	[1]	[1]	\$400,000
TOTALS/AVERAGE	59	\$56,920	\$8,213,530	\$740,000

[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 INCENTIVES CAPITAL AWARDED	CUMULATIVE INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2016	[1]	[1]	[1]	\$17,540,000
2017	93	\$68,404	\$30,891,947	\$ 1,860,000
2018	59	\$56,920	\$ 8,213,530	\$ 740,000
TOTALS/AVERAGE	[1]	[1]	[1]	\$20,140,000

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

QUALITY JOBS INCENTIVE PROGRAM

The Quality Jobs Incentive Program provides tax credits to employers creating a minimum number of net new quality jobs and making a minimum capital investment in Arizona. The program is capped at 10,000 jobs each 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 metro areas. The Program was updated to include new eligibility requirements, with flexible capital investment requirements for taxpayers whose wages are higher than county median levels (Laws 2017, 53rd Legislature, 1st Regular Session, Chapter 340 [SB1416]). The new requirements took effect on January 1, 2018.

For Metro 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 2018 PRE-APPROVED QUALITY JOBS INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [1]	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Argos Intermediate Holdco I, Inc. and Subsidiaries	59	\$ 83,105	\$ 5,000,000	\$ 531,000
Lockheed Martin Corporation	225	\$110,787	\$ 5,000,000	\$ 2,025,000
Comcast Corporation	130	\$ 33,750	\$ 5,000,000	\$ 1,170,000
Bank of the West	656	\$ 74,196	\$ 5,000,000	\$ 5,904,000
ADP, LLC	1,100	\$ 46,210	\$ 5,000,000	\$ 9,900,000
Solera Health	98	\$124,800	\$ 1,000,000	\$ 882,000
Benchmark Electronics, Inc.	190	\$114,000	\$ 1,000,000	\$ 1,710,000
State Farm Mutual Company and Subsidiaries	1,200	\$ 57,000	\$ 5,000,000	\$10,800,000
Chewy, Inc. (dba Chewy.com, LLC)	110	\$ 40,000	\$ 5,000,000	\$ 990,000
Frito-Lay North America, Inc.	50	\$ 50,000	\$ 5,000,000	\$ 450,000
Benchmark Electronics, Inc.	109	\$ 92,671	\$ 5,000,000	\$ 981,000

[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 2018 PRE-APPROVED QUALITY JOBS INCENTIVE PROGRAM (CONTINUED)

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	PROJECTED CAPITAL INVESTMENT [1]	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
Benchmark Electronics, Inc.	60	\$ 71,000	\$ 2,500,000	\$ 540,000
CMOC International	127	\$167,385	\$ 5,000,000	\$ 1,143,000
Tractor Supply Company	10	\$ 47,200	\$ 1,000,000	\$ 90,000
On Q Financial, LLC	57	\$ 80,000	\$ 5,000,000	\$ 513,000
Morgan Stanley Smith Barney, LLC	248	\$ 66,570	\$ 5,000,000	\$ 2,232,000
Shamrock Foods Company	150	\$ 66,429	\$ 5,000,000	\$ 1,350,000
Diplomat Pharmacy, Inc.	400	\$ 60,000	\$ 5,000,000	\$ 3,600,000
CGM, LLC	112	\$ 90,000	\$ 500,000	\$ 1,008,000
Niagara Bottling, LLC	26	\$ 45,152	\$ 5,000,000	\$ 234,000
JP Morgan Chase & Company	33	\$ 63,195	\$ 5,000,000	\$ 297,000
JP Morgan Chase & Company	200	\$ 49,332	\$ 5,000,000	\$ 1,800,000
JP Morgan Chase & Company	105	\$ 46,568	\$ 5,000,000	\$ 945,000
Comcast Corporation	550	\$ 33,970	\$ 5,000,000	\$ 4,950,000
TOTALS/AVERAGE	6,005	\$ 63,416	\$101,000,000+	\$54,045,000

[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 – Post-Approvals on next page >

TABLE 12 – FISCAL YEAR 2018 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	QJTC JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
ADP, LLC	111	N/A	\$ 52,073	\$ 5,000,000	\$ 333,000
Aetna, Inc.	0	108	N/A	N/A	\$ 324,000
Allegis Group Holdings, Inc.	159	161	\$ 46,812	N/A	\$ 960,000
Amazon.com, Inc.	33	N/A	\$ 70,273	\$ 5,000,000	\$ 99,000
Amazon.com, Inc.	22	103	\$ 63,574	N/A	\$ 375,000
American Woodmark Corporation	6	16	\$ 53,075	N/A	\$ 66,000
Asurion	0	38	N/A	N/A	\$ 114,000
Citigroup, Inc.	240	98	\$ 46,470	N/A	\$ 1,014,000
CMOC International	63	N/A	\$ 63,631	\$ 5,000,000	\$ 189,000
Cognizant	229	43	\$ 72,119	N/A	\$ 816,000
Comcast Corporation	418	N/A	\$ 41,089	\$ 5,000,000	\$ 1,254,000
CVS Pharmacy, Inc.	21	62	\$ 52,815	N/A	\$ 249,000
CVS Pharmacy, Inc.	273	N/A	\$ 50,699	\$ 5,000,000	\$ 819,000
Discover Financial Services, LLC	53	71	\$ 73,915	N/A	\$ 372,000
DriveTime Automotive Group, Inc.	0	64	N/A	N/A	\$ 192,000
Farmers Insurance Exchange-Woodland Hills	193	86	\$ 60,516	N/A	\$ 837,000
General Motors Company	0	375	N/A	N/A	\$ 1,125,000
GM Financial	33	N/A	\$121,477	\$ 5,000,000	\$ 99,000
Grand Canyon Education, Inc.	43	75	\$ 56,672	N/A	\$ 354,000
Grand Canyon Education, Inc.	18	181	\$ 61,879	N/A	\$ 597,000
Isagenix International, LLC	44	84	\$ 74,222	N/A	\$ 384,000
Jordan Manufacturing	0	9	N/A	N/A	\$ 27,000
JP Morgan Chase & Company	33	N/A	\$ 63,671	\$ 5,000,000	\$ 99,000
JP Morgan Chase & Company	105	N/A	\$ 44,997	\$ 5,000,000	\$ 315,000
JP Morgan Chase & Company	200	N/A	\$ 49,655	\$ 5,000,000	\$ 600,000
Katerra, Inc.	30	N/A	\$ 52,695	\$ 5,000,000	\$ 90,000
Knight Transportation, Inc.	0	149	N/A	N/A	\$ 447,000

[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 – FISCAL YEAR 2018 POST-APPROVED QUALITY JOBS INCENTIVE PROGRAM (CONTINUED)

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	QJTC JOBS RETAINED [1]	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT [2]	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
loanDepot, LLC	133	N/A	\$67,580	\$ 5,000,000	\$ 399,000
Massachusetts Mutual Life Insurance Company	N/A	67	N/A	N/A	\$ 201,000
Nationstar Mortgage	0	78	N/A	N/A	\$ 234,000
Orbital ATK, Inc. and Subsidiaries	44	N/A	\$53,554	\$ 5,000,000	\$ 132,000
Orbital ATK, Inc. and Subsidiaries	32	38	\$83,864	N/A	\$ 210,000
PayPal, Inc.	0	42	N/A	N/A	\$ 126,000
PayPal, Inc.	0	73	N/A	N/A	\$ 219,000
PayPal, Inc.	0	57	N/A	N/A	\$ 171,000
Argos Intermediate Holdco I, Inc. and Subsidiaries	59	N/A	\$67,103	\$ 5,000,000	\$ 177,000
Recreational Equipment, Inc.	1	32	CONFIDENTIAL	N/A	\$ 99,000
Republic Services, Inc.	52	53	\$98,164	N/A	\$ 315,000
Shamrock Foods Company	71	115	\$56,720	N/A	\$ 558,000
SK Food Group	39	N/A	\$64,113	\$ 1,000,000	\$ 117,000
Sprouts Farmers Market, Inc.	18	60	\$95,156	N/A	\$ 234,000
State Farm Mutual Company and Subsidiaries	422	N/A	\$69,203	\$ 5,000,000	\$ 1,266,000
State Farm Mutual Company and Subsidiaries	0	492	N/A	N/A	\$ 1,476,000
The GEO Group, Inc.	0	301	N/A	N/A	\$ 903,000
The Northern Trust Company	25	N/A	\$54,760	\$ 5,000,000	\$ 75,000
The Northern Trust Company	161	326	\$66,857	N/A	\$ 1,461,000
TJX Companies, Inc.	53	N/A	\$82,733	\$ 5,000,000	\$ 159,000
Tractor Supply Company	N/A	31	N/A	N/A	\$ 93,000
USAA-Phoenix	0	36	N/A	N/A	\$ 108,000
Waste Management, Inc.	N/A	19	N/A	N/A	\$ 57,000
Wells Fargo & Company	257	320	\$72,180	N/A	\$ 1,731,000
TOTALS/AVERAGE	3,694	3,863	\$59,957	\$81,000,000	\$22,671,000

[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	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
TOTALS/AVERAGE	13,164	\$ 58,640	\$5,903,583,979	\$74,844,000

[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.

RENEWABLE ENERGY INCENTIVE PROGRAM

The Renewable Energy Incentive Program provides incentives to companies in the solar, wind, geothermal and other renewable energy industries that are expanding or locating in Arizona. Real and personal property and improvements constructed or installed that are primarily dedicated to renewable energy manufacturing or headquarters operations including necessary on-site research and development, testing and storage facilities that are associated with the manufacturing process – and that are certified by Commerce – are eligible to be designated as Class 6 property (A.R.S. § 42-12006 (8)). This reclassification qualifies the property for a 5% assessment ratio for both primary and secondary tax purposes, effectively constituting up to a 72.2% savings for real property (A.R.S. § 42-15006 (1)). Percentage of savings for personal property will vary depending on depreciation schedules that may be applicable.

Companies must make new qualifying investment of \$25 million in renewable energy manufacturing and/or headquarters operations in Arizona to be eligible. The property tax reclassification benefit is available to an eligible company for not more than:

- 10 years, if the company pays at least 51% of the net new full-time employment positions between 125% and 199% of the annual median wage and pays at least 80% of the health insurance costs for all net new employees.
- 15 years, if the company pays at least 51% of the net new full-time employment positions at least 200% of the annual median wage and pays at least 80% of the health insurance costs for all net new employees.

TABLE 13 – FISCAL YEAR 2018 PRE-APPROVED RENEWABLE ENERGY INCENTIVE PROGRAM

FY 2018 APPLICANT (PRE-APPROVED)	PROJECTED NEW JOBS	AVERAGE WAGE OF PROJECTED NEW JOBS	INCENTIVES PRE-APPROVED BASED ON PROJECTIONS
*No Activity			

TABLE 13 – FISCAL YEAR 2018 POST-APPROVED RENEWABLE ENERGY INCENTIVE PROGRAM

FY 2018 APPLICANT (POST-APPROVED)	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
*No Activity			

TABLE 13 – CUMULATIVE RENEWABLE ENERGY INCENTIVE PROGRAM ACTIVITY

POST-APPROVAL YEAR	ACTUAL NEW JOBS CREATED	AVERAGE WAGE OF NEW JOBS CREATED	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
2014	[1]	[1]	[1]	\$1,633,333 [2]
TOTALS/AVERAGE	[1]	[1]	[1]	\$1,633,333

[1] Confidential information pursuant to A.R.S. § 41-1511(N).

[2] Amount post-approved represents refundable income tax credits authorized by the ACA for qualified net new job creation and capital investment. The program income tax credits were sunset on December 31, 2017.

RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM

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

The current R&D tax credit applies to both corporations and individuals and is equal to 24% of the first \$2.5 million in qualifying expenses plus 15% of the qualifying expenses in excess of \$2.5 million. A company that

is otherwise qualified for the R&D tax credit who employs less than 150 full-time employees can apply to the ACA for a partial refund of up to 75% of the current year’s credit minus the current year’s tax liability.

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

TABLE 14 - FISCAL YEAR 2018 POST-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM [1]

FY 2018 APPLICANT (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Alliance Technologies, LLC	\$ 1,246,005	\$ 112,141
Andes Industries, Inc.	\$ 1,213,140	\$ 108,413
APEX Holding Corporation	\$ 2,075,921	\$ 86,153
Applied Microarrays, Inc.	\$ 799,935	\$ 71,957
ASEI Engineering, Inc.	\$ 646,525	\$ 58,187
Axosoft, LLC	\$ 2,165,321	\$ 72,462
Azbil North America, Inc.	\$ 1,050,012	\$ 94,464
Aztera, LLC	\$ 237,328	\$ 21,359
Boeckeler Instruments, Inc.	\$ 272,072	\$ 24,486
Cactus Semiconductor, Inc.	\$ 688,883	\$ 40,179
Caliente Construction, Inc.	\$ 1,867,115	\$ 31,272
Cancer Prevention Pharmaceuticals, Inc.	\$ 1,050,505	\$ 87,306
CivTech, Inc.	\$ 531,581	\$ 32,504
Codelucida, LLC	\$ 100,274	\$ 8,987
CTM Magnetics, Inc.	\$ 1,627,362	\$ 146,425
Design Works Studio, LLC	\$ 1,587,314	\$ 142,858
DirectWeb Administrative Services, LLC	\$ 606,986	\$ 54,629
Elitise, LLC	\$ 410,679	\$ 36,962
Fabricating/Distributor, Inc.	\$ 428,458	\$ 34,312
Helia Technology Holdings, Inc.	\$ 7,603,315	\$ 596,399
Hexius Semiconductor, LLC	\$ 273,708	\$ 24,634

[1] There is no “Pre-approval” process for the Research and Development Incentive Program. Only “Post-approval” results are shown.

TABLE 14 - FISCAL YEAR 2018 POST-APPROVED RESEARCH AND DEVELOPMENT INCENTIVE PROGRAM [1]
(CONTINUED)

FY 2018 APPLICANT (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED BASED ON ACTUAL ACTIVITY
Hotwire Development, LLC	\$ 401,848	\$ 33,149
Hypur, Inc.	\$ 1,388,968	\$ 124,970
Image Tag, Inc.	\$ 1,228,470	\$ 110,525
Integrated Technology Corporation	\$ 1,010,289	\$ 90,926
LeaseHawk, LLC	\$ 1,173,177	\$ 105,586
Metal Magic, Inc.	\$ 694,009	\$ 62,461
NewSpring Pharmacy, LLC	\$ 227,481	\$ 20,474
nQueue Billback, LLC	\$ 1,396,633	\$ 125,660
Nth Degree Technologies Worldwide, Inc.	\$ 1,564,086	\$ 140,730
Pegasus Solutions Companies, Inc.	\$ 1,619,045	\$ 145,677
Printed Energy Pty Ltd.	\$ 220,052	\$ 19,767
Provista Diagnostics, Inc.	\$ 1,915,760	\$ 180,911
Pure Chat, Inc.	\$ -	\$ 62,792
Regenesis Biomedical, Inc.	\$ 2,004,783	\$ 180,393
Rockford Corporation	\$ 1,669,850	\$ 131,330
Ron Turley Associates, Inc.	\$ 749,475	\$ 67,453
Salutaris Medical Devices, Inc.	\$ 1,471,770	\$ 132,422
SDC Materials, Inc.	\$ 3,766,546	\$ 338,952
Solera Health, Inc.	\$ 1,441,763	\$ 129,721
Solid State Networks I, LLC	\$ 611,751	\$ 55,057
Split Engineering, LLC	\$ 189,148	\$ 17,024
World View Enterprises, Inc.	\$ 3,832,737	\$ 344,909
Zero Mass Water, Inc.	\$ 5,765,503	\$ 493,022
TOTALS	\$60,825,583	\$5,000,000

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

Table 14 – Cumulative and University R&D Post-Approvals continued on next page >

TABLE 14 - CUMULATIVE RESEARCH AND DEVELOPMENT TAX CREDIT PROGRAM

POST-APPROVAL YEAR	CUMULATIVE CAPITAL 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
TOTALS	\$424,234,279	\$35,000,000

TABLE 14 - FISCAL YEAR 2018 POST APPROVED UNIVERSITY RESEARCH AND DEVELOPMENT TAX CREDIT PROGRAM [1]

FY 2018 APPLICANT (POST-APPROVAL)	ACTUAL CAPITAL INVESTMENT	INCENTIVES AWARDED IN YEAR BASED ON ACTUAL ACTIVITY
Whitespace Enterprise Corporation	\$15,655	\$377
TOTALS	\$15,655	\$377

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

TABLE 14 - CUMULATIVE UNIVERSITY RESEARCH AND DEVELOPMENT TAX CREDIT PROGRAM

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
TOTALS	\$191,196	\$14,004

[Click here](#) to review the ACA's Fiscal Year 2018 Financial Audit report.

