



BOARD OF DIRECTORS PUBLIC SESSION, FY16-Q2 & Q3

May 24, 2016

ACA Q2 & Q3-16 HIGHLIGHTS

Legislative Update

- ACA Continuation Bill
- Governor's Economic Opportunity Office

Business Attraction & Expansion

- Q2-16: 4,634 jobs, \$155.7M in CapEx committed
- Q3-16: 5,331 jobs, \$293.0M in CapEx committed

Arizona CEO Forums

- National Championship, Waste Management Open, Spring Training

Americas Competitiveness Exchange on Innovation and Entrepreneurship

- Hosted 50 dignitaries from 24 countries on a four-day learning tour of AZ

ACA / Center for the Future of Arizona Indicators Project



BUSINESS ATTRACTION AND EXPANSION KEY METRICS

Key Metric	Q1	Q2	Q3	Q4-TD	Actual YTD	FY'16 Goal	% to Goal
Jobs	3,033	4,634	5,331	2,244	15,242	17,000	90%
Cap Ex	\$121.8M	\$155.7M	\$293.0M	\$15.3M	\$585.8 M	\$1.3B	45%
Net New Opportunities Added to Pipeline	82	67	75	46	270	300	90%



ACA TUCSON MSA RESULTS

20 Projects →

3,211 New Jobs
\$184.0 million in CapEx
\$48,764 Average Wage

Attraction / Expansion



Don Zavis and Associates



Innovation



ACA JOBS AND PIPELINE REPORT

ALLISON G. GILBREATH, VICE PRESIDENT
BUSINESS ATTRACTION & EXPANSION



ACA BUSINESS PIPELINE

265 Opportunities
57,349 New Jobs
\$ 47,773 Average Wage
\$ 7.57 billion in CapEx

Origin (Attraction)



California: 28%



Northeast: 17%



Southwest: 8%



Midwest: 19%



International: 15%



Southeast: 7%

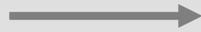
Industry (Total)

- 35% Manufacturing
- 16% Business/Financial
- ❑ 9% A&D
- 10% IT/Software
- ❑ 8% Renewable
- 9% Traditional
- 23% Consumer Products
- 7% Bio/Healthcare



CALIFORNIA **ACTIVITY**

Pipeline



63 Opportunities
9,451 New Jobs
\$1.05 billion in CapEx

Top Industries



Business &
Financial



Consumer
Products



Manufacturing

FY2016 Results

11 Projects Won
2,648 Jobs
\$44.5 million in CapEx



ACA BUSINESS EXPANSION PIPELINE

52 Opportunities
6,954 New Jobs
\$50,215 Average Wage
\$690.8 million in CapEx

Origin (Expansion)



Central AZ: 81%

- Phoenix
- Tempe
- Gilbert
- Casa Grande



Southern AZ: 17%

- Tucson
- Oro Valley

Industry (Total)

- 41% Manufacturing
 - ❑ 8% Renewable
 - ❑ 6% A&D
- 19% IT/Software
- 17% Business/Financial
- 12% Bio/Healthcare
- 8% Consumer Products
- 4% Traditional



AZ INNOVATION CHALLENGE UPDATE

BRIAN SHERMAN, SENIOR VICE PRESIDENT
BUSINESS DEVELOPMENT



ARIZONA INNOVATION CHALLENGE

Program Outcomes

- 53 awards
 - ❑ Jobs: **245 FTE (DNI 1099 and PT)**
 - ❑ Average salary: **\$66,064**
 - ❑ CapEx: **\$6.6M**
 - ❑ Revenue: **\$73.1M**
 - ❑ Capital Formation: **\$107.5M**



ARIZONA INNOVATION CHALLENGE

	# of Companies	% of Portfolio (*)
Active	43	81% (78%*)
Acquired	5	9.4% (12%*)
No Growth	5	9.4%

*Benchmarked to TechStars portfolio of 705 companies



ACA RURAL DEVELOPMENT UPDATE

KEITH WATKINS, SENIOR VICE PRESIDENT
RURAL BUSINESS DEVELOPMENT



RURAL COMPETITIVE ENHANCEMENT

Update on Programs

- Economic Strength Grant (ESG) - \$1,000,000
 - Prescott and Nogales
- Rural Economic Development Enhancement grant - \$100,000
 - Navajo County, Prescott Valley, Prescott, Payson
- 46 technical assistance engagements
- Border Business Plans
 - Douglas, Nogales, San Luis
 - Value added food processing strategy in concert with AMC



RURAL DEVELOPMENT: RESULTS

Rural Economic Development Grant (REDG)

- 2,766 committed new jobs (1,097 actual to date)
- \$383M committed CapEx (\$126M actual to date)

Major Initiatives

- Apache Railway Retention (Snowflake, AZ)
- Certified Sites Program
 - 13 Gold
 - 11 Silver
 - 7 Bronze



JOB CREATION PROGRESS METER

DARCY RENFRO, SENIOR DIRECTOR, THE ARIZONA WE WANT
CENTER FOR THE FUTURE OF ARIZONA



ACA + CFA PARTNERSHIP: INDICATORS INITIATIVE

- Based on the Gallup Arizona Poll and the citizen's priorities for job creation
- Each indicator promotes positive, Arizona success, as local as possible data, and ways for Arizonans to get involved
- Endorsed by more than 30 economic development, workforce, business and government entities as the way to collectively track our progress



ACA + CFA PARTNERSHIP: INDICATORS INITIATIVE

The screenshot shows the website header with navigation links: WHO WE ARE, THE ARIZONA WE HAVE, THE ARIZONA WE WANT, THE EDUCATION WE NEED, SPEAKOUT AZ, and NEWS. The main content area features a 'Job Creation' banner with the Arizona Commerce Authority logo and a brief text: 'Arizonans understand that a flourishing economy, with high quality jobs, is important to the future of our state. While Arizona has much to be proud of – from our low cost of doing business to our access to major world markets – there is always room for improvement in growing and strengthening our economy.'

Net New Jobs
62,649
 Number of jobs that have been created statewide and in...

Venture Capital Per Capita
\$38
 Value of all venture capital investments within a given region divided by the total population of the same region in inflation-adjusted dollars.

Educational Attainment
37%
 Percent of residents have completed a 2- or 4-year

Per capita income
83%
 Per capita income as a percentage of the national per capita income.

ARIZONA

CENTER FOR THE FUTURE OF ARIZONA
 The Arizona We Want - The Education We Need

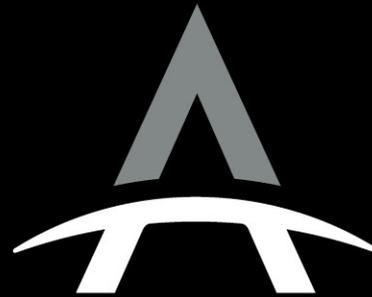
ARIZONA COMMERCE AUTHORITY

Job Creation in Arizona
\$22.5B

Total Exports
 Total value of goods produced in Arizona destined for a country outside of the United States for future sale or trade in billions. (U.S. Department of Commerce, Census Bureau, 2015)

**Brought to you by the Center for the Future of Arizona and Arizona Commerce Authority, data provided by the Morrison Institute for Public Policy.*





ARIZONA
COMMERCE
AUTHORITY

ARIZONA KNOW HOW. **JOIN US.**

azcommerce.com

602.845.1200

800.542.5684