

ARIZONA

BREATHTAKING OPPORTUNITY





ARIZONA RISING

Arizona isn't just the number one location in America for sunny days. In many of the most important business attributes and quality of life variables, Arizona is a top state and rising fast. For companies looking to grow and individuals looking for the perfect place to call home,

ARIZONA HAS BECOME THE PLACE TO BE.

*“...the state of our state will be
confident, strong and rising.”*

*Doug Ducey
Governor and former CEO of Cold Stone Creamery
2015 State of the State address*

#1 Entrepreneurial
Activity

FAST COMPANY

#1 Higher Education
Degree Output



#5 Largest Aerospace
Employment Cluster

Deloitte's Aerospace and
Defense Industry

#5 Access
To Capital



#5 Projected
Job Growth

Forbes

*"Our goal in Arizona is to be
the best place in the country
to work and do business."*

| Governor Doug Ducey

#2 Skilled & Available
Workforce



#4 Largest Semiconductor
Employment Cluster

TechAmerica Foundation

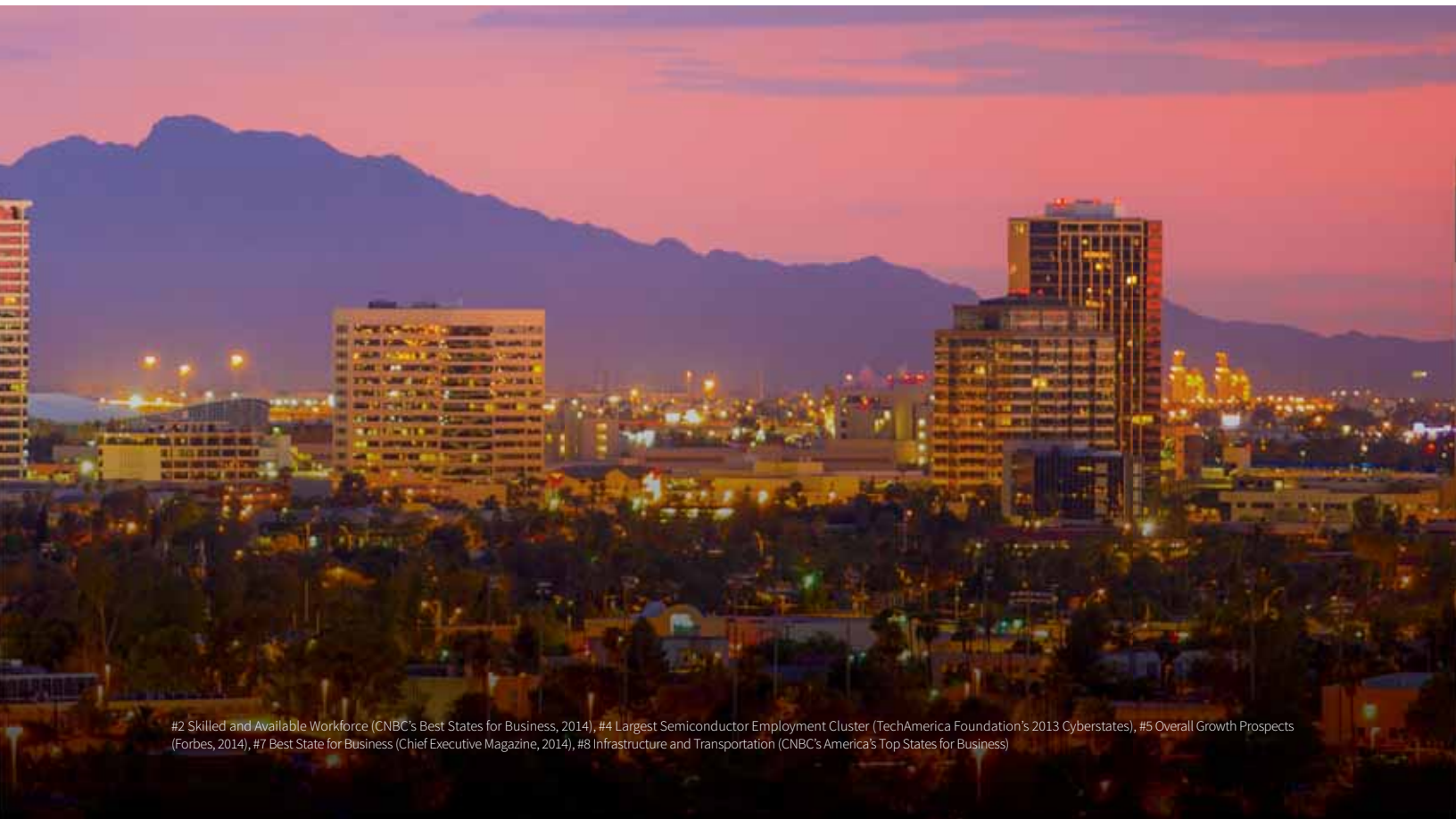
#5 Overall
Growth Prospects

Forbes

#7 Best State
For Business

Chief Executive Magazine

#8 Infrastructure
& Transportation





ARIZONA'S LEADING PROFILE

Arizona is top-ranked in nearly every measurement critical to business success: tax and regulatory reform, quality of workforce, and superior quality of life.

From some of the most innovative employers, to families tired of California taxes or Northeastern bad weather, Arizona is one of America's five fastest growing states because it offers just about everything...including a commitment to quality education and an efficient, effective infrastructure for success in the global economy.

Our pro-business policies are a result of our corporate, community and elected leaders working together. The public and private sectors continue making significant investments to support the businesses that most benefit from our unique assets.

Arizona's population is 6.58 million, with a median age of 36.0 years, making us one of America's youngest states. A young, vibrant, diverse workforce of talented graduates from our world-renowned universities and community colleges fuel an increasing number of quality jobs.

Our low cost of doing business, skilled workforce, streamlined regulations, access to major world markets, simplified tax system, and exceptional quality of life make the state a great place to work and live.



KEY TARGET SECTORS

ADVANCED MANUFACTURING

ADVANCED BUSINESS SERVICES

AEROSPACE AND DEFENSE

RENEWABLE ENERGY

BIOSCIENCE AND HEALTHCARE

IT/SOFTWARE

OPTICS/PHOTONICS

RESEARCH AND DEVELOPMENT

NEW LEADERSHIP

In November 2014, Arizona voters chose new business- and reform-minded leaders with an in-depth level of combined business and entrepreneurial experience.



GOVERNOR

Doug Ducey, a successful businessman and entrepreneur, was most recently Arizona State Treasurer. Prior to serving in elected office, Ducey worked at Procter & Gamble and was the chief executive officer of Cold Stone Creamery from 1997-2007.



SECRETARY OF STATE

In 1991 Michele Reagan moved to Arizona, where she started a successful small business. Just 11 years later, she was first elected to the Arizona State House and later to the Arizona State Senate.



ATTORNEY GENERAL

Mark Brnovich led the Arizona State Department of Gaming from 2009-2013. Prior to that, he developed free enterprise policy for the nationally renowned Goldwater Institute.



TREASURER

Jeff DeWit is a successful business owner and investment professional. Previously, he was chief executive officer and founder of ECHOtrade, which has 500 licensed professional finance traders worldwide.



SUPERINTENDENT OF PUBLIC INSTRUCTION

Diane Douglas had an outstanding career as a financial expert at various companies. After retiring, she focused her efforts on public service and specifically education.



THE ARIZONA LEGISLATURE

The Arizona Legislature is considered by many to be supportive of a strong business climate. The State Senate has a bipartisan makeup of 17 Republicans and 13 Democrats while the House has a bipartisan makeup of 36 Republicans and 24 Democrats.

The state's newly-elected officials have an unprecedented level of business and entrepreneurial experience, and represent a new focus on economic growth, reform, stability, smart fiscal policy, spending accountability, and affordability.

THE ARIZONA ADVANTAGE

Arizona has bucked the tax-hiking trends in other states because we value our taxpayers and businesses, and will fight to keep our tax burden as low as possible.

COMPETITIVE TAX STRUCTURE

For both business and individuals, there's no franchise tax, no business inventory tax, and no estate tax.

To encourage greater investment, the state reduced long-term capital gains taxes by as much as 25 percent for property acquired after 2011. Businesses with multi-state operations appreciate the transition to a 100 percent

electable sales factor, which can lower the corporate income tax burden for Arizona's export-based businesses.

Arizona already has tax and economic development incentives that drive job creation, research and development, facilities construction and expansion, energy conservation and capital investment.



#4 Favorable
Unemployment
Insurance Tax
*(Tax Foundation's 2015 State
Business Tax Climate Index)*

4.54%
Top Personal
Income Tax Rate
*5th lowest among all
states with said tax*

When Arizona's Corporate Income Tax Rate is phased down from 6.5% to 4.9% by 2017, Arizona will have the third lowest corporate income tax rate among all states with said tax.

(Tax Foundation, 2015)

AGGRESSIVE TAX CREDIT PROGRAMS, INCLUDING:

Up to \$70 million in total annual refundable income tax credits under the Qualified Facility Tax Credit Program.

Up to \$90 million in total annual income tax credits under the Quality Jobs Tax Credit Program.



FAVORABLE REGULATORY ENVIRONMENT

To reduce and streamline the regulatory burden on businesses, in 2009 Arizona enacted a rulemaking review and moratorium process and Governor Ducey renewed it in his first official action. Limiting bureaucratic interference, cutting red tape and repealing overly burdensome regulations creates a business-friendly, minimalist regulatory environment.

ARIZONA IS A RIGHT-TO-WORK STATE

Unions cannot require workers to pay dues as a condition of their employment. The financial impact of labor peace and business stability is significant – and increasing.

Ongoing tort-reform initiatives restrict predatory class-action lawsuits.

In 2014, the governor and legislature approved fundamental changes to simplify and streamline tax collection and eliminate the need for multiple tax licenses, tax returns and tax audits.



AN EDUCATED WORKFORCE

National rankings place Arizona second in workforce quality and availability, and first in higher-education degree output. This pipeline of talent makes a knowledge-based workforce readily available.

Arizona's quality of life and expanding economy also attract the best and brightest from around the country. In 2012, the state ranked third in terms of population migration in from the other 49 states.



#1 IN HIGHER
EDUCATION
DEGREE OUTPUT

*(U.S. Chamber of Commerce,
Enterprising States Report, 2013)*

#2 SKILLED AND
AVAILABLE
WORKFORCE

(CNBC's Best States for Business, 2014)

Arizona State University, the University of Arizona and Northern Arizona University produce top-ranked degree programs in entrepreneurship, supply chain management, information systems, physical sciences and more.



A VIBRANT SMALL BUSINESS CLIMATE

In 2013, Fast Company ranked Arizona as the #1 state for entrepreneurial activity. Arizona's thriving start-up culture, paired with its innovative ecosystem, allows entrepreneurs the freedom to grow and thrive.

Many larger companies use Arizona as a testing ground for new products, because the state is a melting pot of people from around America and the world. Arizonans are always open to trying something new, and entrepreneurs benefit from the welcoming, open attitude. With our abundance of building stock, it's easy to buy affordable real estate for a start-up.

North America's largest locally owned business coalition, Local First Arizona, works with the state's economic development teams to create a strong market for local products and services.

The state encourages investment in small Arizona businesses by granting tax credits through its Angel Investment Program, which has budgeted \$20 million through 2021. Arizona's Fast Grant program gives winning entrepreneurs funding to hire expert consultants and test new products, which helps startups transform an innovative new product or idea into a money-making venture.

Additionally, Arizona is home to the Arizona Innovation Challenge, a business plan competition awarding innovative companies \$3 million in grant funding annually.

TOP 10 BEST STATE FOR STARTING A BUSINESS BUSINESS CLIMATE AND INFRASTRUCTURE

(U.S. Chamber of Commerce, Enterprising States Report 2014)

#1 ENTREPRENEURIAL ACTIVITY

(Fast Company, 2013)

#4 SMALL BUSINESS LENDING

*(U.S. Chamber of Commerce,
Enterprising States Report, 2014)*

#5 PHOENIX, AZ: BEST CITY FOR SMALL BUSINESS

*(National Federation of Independent
Business, July 21st, 2014)*

Notable Arizona Start-Ups



Infusionsoft.

Insight.





MILITARY ASSETS

With 20 military installations and 24 million square feet of Department of Defense-owned installations, Arizona is the perfect place for R&D and tech investment.

LUKE AIR FORCE BASE – WEST VALLEY, PHOENIX

Total economic impact of \$2.17 billion (2011)

Since 1941, Luke has graduated more than 60,000 Airmen

DAVIS-MONTHAN AIR FORCE BASE – TUCSON

Approximately 8,000 military and civilian employees

More than 18,000 military retirees reside in the Tucson area

Circulates approximately \$1.1 billion (\$1.6 billion including retiree data) into the local community in Fiscal Year 2011

Employs 3,194 civilians

Creates approximately 4,538 jobs in the Old Pueblo

FORT HUACHUCA – SOUTHERN AZ

Largest Unmanned Aerial Vehicle (UAV) training facility in the world

\$10 million facility

Contains 25,000 square feet of space and 10 simulators

MARINE CORPS AIR STATION – SOUTHWEST AZ

In 2011, MCAS Yuma supported 80 percent of the Corp's aviation training, making it the busiest air station in the Marine Corps

\$1.36 billion economic impact on the local community (2011)

Employs nearly 7,000 military and civilian personnel

Largest recipients of federal contracts in 2013:

Raytheon



GENERAL DYNAMICS



©LockheedMartin

Arizona is home to unmatched military training facilities:

WORLD'S LARGEST
Unmanned Aircraft
Systems training base

SECOND LARGEST
military installation
in the world

THIRD LARGEST
tactical aviation
range in the nation

\$12.4 BILLION
in federal contracts
awarded in 2013

\$11.2 BILLION
in Department of Defense
contracts in 2013

RANKED #5
for defense contracts
in 2013

TEACHING THE NEXT GENERATION

We're proud that so many parents have chosen Arizona because we lead the nation in charter schools and school choice.

K-12 EDUCATION

Our state and community's focus is on student outcomes. Arizona enjoys unprecedented private sector investments in our public education system, and our philanthropic foundations commit tens of millions annually to fund statewide programs to improve math and literacy for our high-needs schools. Science Foundation Arizona was formed as a public-private partnership to broaden and strengthen the state's economy by investing in four high impact research areas – bioscience, information and communications technology (ICT), engineering and sustainability. No other state has the private sector putting up half of the investment capital to improve their local economy.

3 TOP TEN
HIGH SCHOOLS
THE MOST OF ANY STATE
(U.S. News & World Report, 2014)

Arizona provides open enrollment to all of its schools. You have the opportunity to send your child to the school that's best for them.



HIGHER EDUCATION

Arizona offers a nationally recognized public university system that excels in both academics and research, as well as one of the nation's most robust community college systems and private institutions that offer both online and classroom learning.

Arizona State University

Two of ASU's W.P. Carey School of Business programs are ranked among the best in the nation. The Supply Chain Management undergraduate program ranks #3 and the Information Systems graduate program ranks #12.

(U.S. News & World Report, 2014).

The Thunderbird School of Global Management, whose International MBA program is consistently ranked as #1 or #2 by U.S. News and World Report, is aligning with ASU and becoming a part of the State University System.



Northern Arizona University

In 2014, U.S. News & World Report listed Northern Arizona University as a best undergraduate engineering program. In the 2012-2013 academic year, R&D expenditures were \$30.5 million. The university received a multimillion-dollar NAU Teach grant that seeks to double the number of students pursuing careers in science and math.

University of Arizona

The McGuire Entrepreneurship Program is ranked the #2 public undergraduate and #3 public graduate program in the nation by Entrepreneur magazine and The Princeton Review. The College of Science ranks #1 among observational, theoretical, and space astronomy programs in the U.S. for R&D expenditures and #2 in all Physical Sciences.

Community colleges

Arizona's community colleges offer seamless transfer pathways to the state's public universities, with training, certificates and associate's degrees to prepare students for careers in high-wage, high-skill industries including information technology, health sciences, manufacturing, engineering and more.

These community colleges frequently partner with private industry to offer specialized classes and services that train future employees for a company's specific needs.

- Arizona community colleges awarded 50,252 degrees in 2011 – the national average is fewer than 17,000
- More than 500,000 people were enrolled at an Arizona college awarding associate's degree or higher in 2013.
- Maricopa County Community Colleges, one of the largest community college systems in the United States, is the largest provider of job training in Arizona.



A SUPERIOR QUALITY OF LIFE

Arizona is a state of compelling contrasts, with something for every taste and every pleasure. Our college communities offer vibrant urban scenes with shops, restaurants and nightlife, from small jazz clubs to hip indie-rock venues and Broadway theatre.

Arizona has become an international mecca with world-class hotels and spa resorts as well as celebrated chefs, cuisine and wineries.

9 JAMES BEARD AWARD-
WINNING CHEFS

5 WINERIES SCORED 90+
IN WINE SPECTATOR



Camelback Mountain view from Paradise Valley Country Club

CLIMATE

In Arizona, it's possible to find perfect weather somewhere year round. While Central Arizonans are basking in mild weather with cool breezes in January, Northern Arizonans might be snow skiing on a cold winter day. And in the summer, Southern Arizonans could be sunbathing, while people in North-Central Arizona enjoy cool days and nights.

**300+ SUNNY
DAYS A YEAR**
*more than any
other U.S. state*



*From skyscrapers to rugged earth,
lush green golf courses to snowy ski slopes,*





*state-of-the-art stadiums to
music and culture, Arizona has it all.*



NATURAL BEAUTY

Sweeping canyons, jagged cliffs, towering ponderosa pines, shimmering lakes, and of course, miles of cacti in every size, shape and style. When it comes to natural beauty, Arizona is second to none – and there's no

better way to experience this wonder than from one of Arizona's many national parks, monuments and recreation areas.



Hoover Dam

Opened in 1936

7th man-made wonder of the world



Grand Canyon

277 miles from end-to-end

4.5 million annual visitors



Flagstaff

Skiing and outdoor sports

Highest point in Arizona at 12,633 feet



Sedona

Famous red rocks are popular tourist destination

2 hours from Phoenix



Phoenix/Maricopa County

296 sunny days per year on average

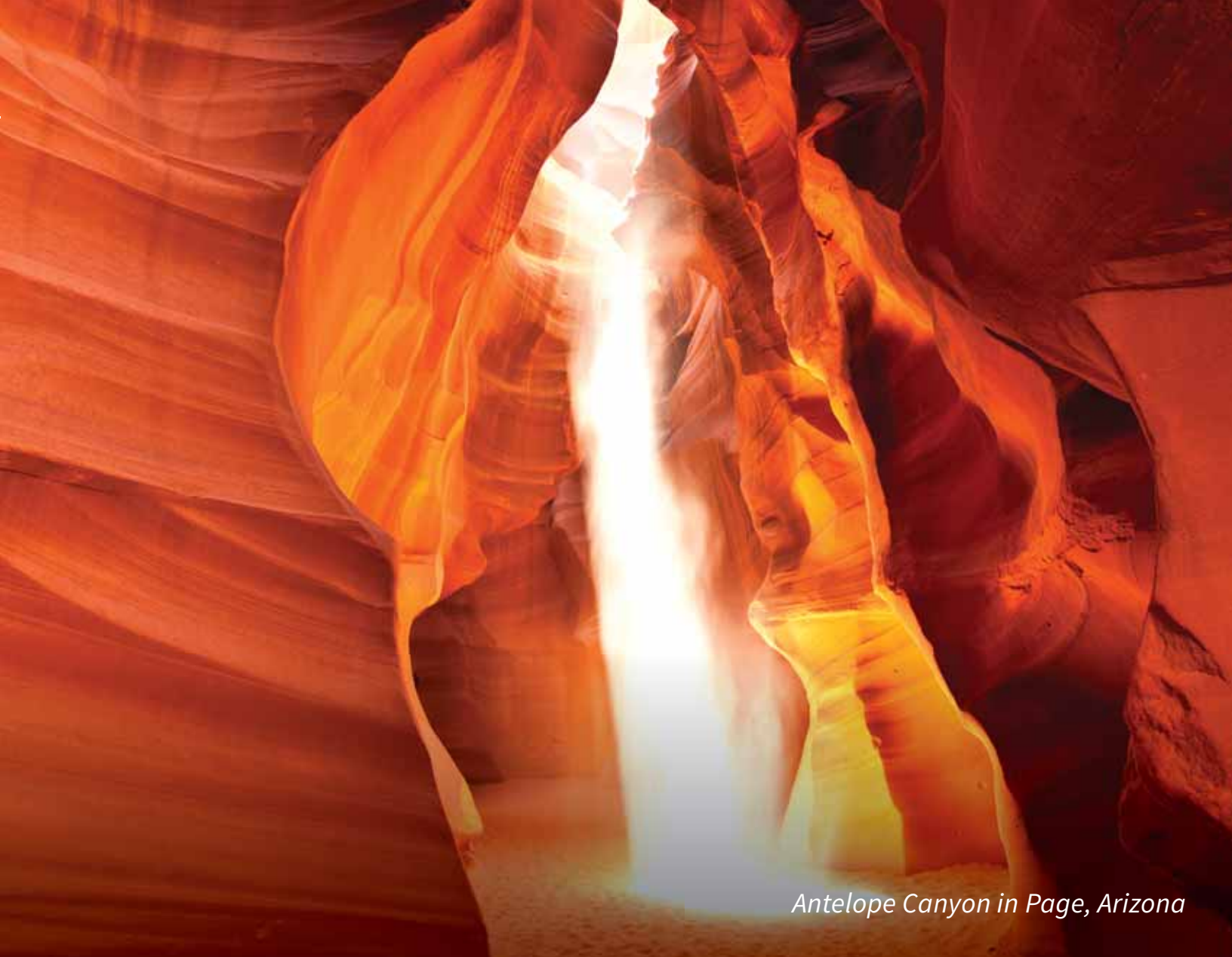
4 cities in county ranked as fastest-growing in the nation by Forbes



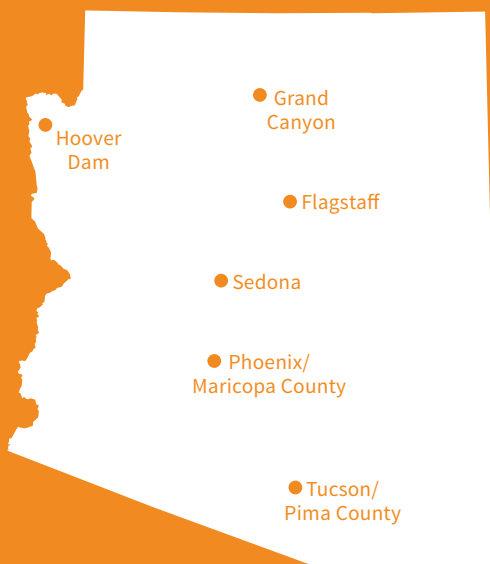
Tucson/Pima County

Largest optical telescope in continental United States

Unique arts and culture scene



Antelope Canyon in Page, Arizona



22 national parks, monuments and preserves

Monument Valley

Four Corners

Petrified Forest

Painted Desert

Lake Powell & Glen
Canyon

Lake Mead

Lake Havasu

Chiricahua National
Monument

Canyon de Chelly

Saguaro National Park

Kartchner Caverns
State Park

SPORTS & ENTERTAINMENT AMENITIES

Every sports league has a team in the Phoenix region, and with year-round sunny skies, you are hardly ever rained (or snowed) out.

NFL
Arizona
Cardinals

MLB
Arizona
Diamondbacks

NBA
Phoenix
Suns

NHL
Arizona
Coyotes

WNBA
Phoenix
Mercury

AFL
Arizona
Rattlers

Annual Arizona Events

Fiesta Bowl

Cactus Bowl

PGA's Waste Management Open

Barrett Jackson Car Auction

PF Chang's Rock 'n' Roll Marathon

World Golf Championships
Accenture Match Play Tournament

Founders Cup LPGA Tournament

Cactus League Spring Training

Scottsdale Arabian Horse Show

Pro Rodeos

NFL PRO BOWL 2015
NFL SUPER BOWL XLIX
NCAA FINAL FOUR 2017

*More than 400 public and
private scenic golf courses*

PHOENIX INTERNATIONAL RACEWAY

hosts some of the largest crowds
for NASCAR and Indy races.



ARTS & CULTURAL AMENITIES

FIRST FRIDAY · PHOENIX: THE COUNTRY'S LARGEST ART WALK
Named by USA Today as one of the top 10 in the country

Nationally Recognized Arts

Arizona Opera

Ballet Arizona

Phoenix
Symphony

The Phoenix
Children's
Theater

ChildsPlay

The Arizona
Science Center

The Children's
Museum

Internationally Renowned Museums

Phoenix Art Museum

Arizona-Sonora Desert Museum

Desert Botanical Garden

Musical Instrument Museum

Heard Museum



ADVANCED HEALTHCARE & RESEARCH

Six Nationally Ranked Hospitals

Mayo Clinic
Banner Good Samaritan Medical Center
University of Arizona Medical Center
Banner Estrella Medical Center

Phoenix Children's Hospital
St. Joseph's Hospital & Medical Center,
which includes the world-renowned Barrow
Neurological Institute

Arizona is home to some of the country's top specialty & research facilities:

Mayo Clinic
The University of
Arizona Cancer
Center

John C. Lincoln
Breast Health and
Research Center
Critical Path
Institute

Cancer Treatment
Centers of America
Arizona Burn
Center

Translational
Genomics
Research Institute
(TGen)

St. Jude Children's
Research Hospital
ASU Biodesign
Institute









ARIZONA
COMMERCE
AUTHORITY

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