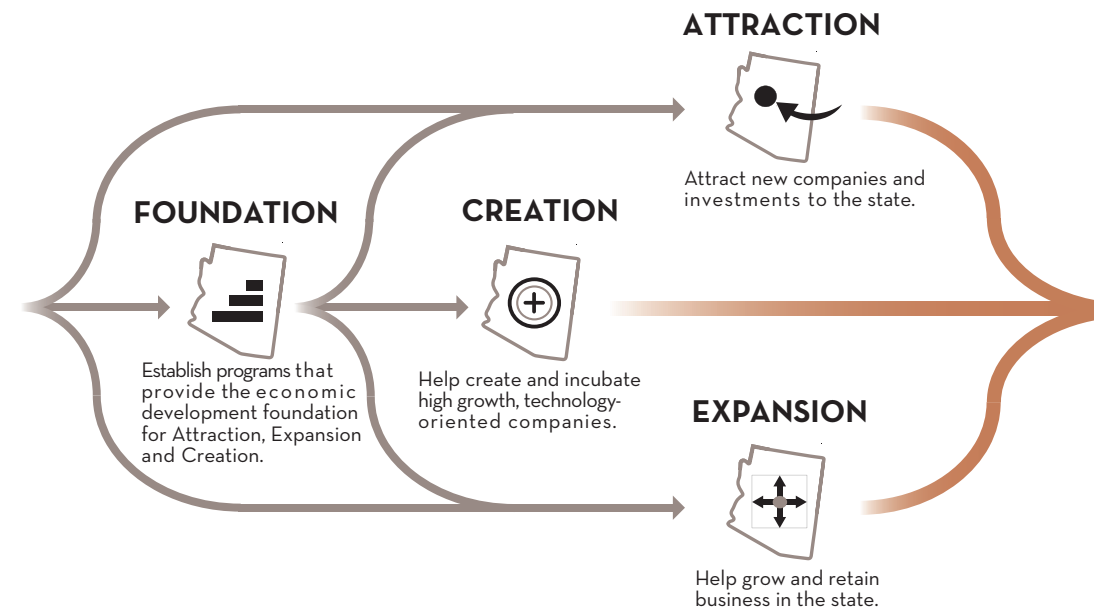




The ACA has a focused and targeted strategy to improve Arizona's economy by facilitating quality job creation through business:

- Attraction
- Expansion
- Creation



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

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

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

5-Year Goals
(FY '13 - FY '17)

The ACA's Fiscal Year 2013 Highlights

The ACA's professionals managed more than

2,017 interactions

The ACA's Creation, Attraction/Expansion and Financial Programs teams provided services to more than 2,017 clients. The ACA focused its efforts on supporting companies in high-growth potential, export-based industries, including programs to strengthen rural communities. In addition to direct client interaction, the ACA worked with partners to develop foundational economic development programs that will continue to foster quality job creation.

CREATION

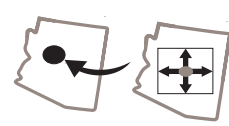


595 Arizona-based companies

Applications	595
Awards	168

A total of 168 companies received financial benefits and other services through the ACA's Creation programs: the Arizona Innovation Challenge (AIC), STEP, AZ Fast and PIII Playbook. The biannual AIC, for example, awards \$3M per year to advance innovation and technology commercialization opportunities in Arizona. Companies applying to Creation programs (595) become the ACA's "pipeline" for future ACA service and consultation opportunities outside of Creation program parameters.

ATTRACTION / EXPANSION



476 opportunities

Early Stage	299
Late Stage	73
Closed/Won ¹	104

The Attraction/Expansion team engaged 476 overall opportunities, including a significantly increased number of rural opportunities.

	Targeted Industries ²	Rural ²
Jobs	7,769	1,494
Cap. Invest.	\$629.2M	\$222.1M
Wages	\$61,426	\$41,813

¹Closed/won opportunities are client projects that conclude with a successful location or expansion decision. These 104 closed/won opportunities, in the aggregate, constitute the total jobs, capital investment and wages shown under The ACA's Fiscal Year 2013 Results (to the right).

²The figures in the Targeted Industries and Rural columns represent the jobs, capital investment and wages associated with the subset of closed/won opportunities that occurred in Targeted Industries and/or Rural areas.

FINANCIAL PROGRAMS



946 reviewed incentive applications

Pending	101
Under Review	123
Reviewed	946
Active	834

The Financial Programs team administered **946** new applications.

	# of Assisted Companies	Amount of Assistance
Tax Credits and Abatements ¹	151	\$13.0M
Grants ²	63	\$22.4M
Loans ³	10	\$4.3M
Bonds ⁴	7	\$35.6M
Total	231	

¹Tax credits, property tax reductions and sales and use tax exemptions approved under the Angel Investment, Healthy Forests, Military Reuse Zone, QualityJobs, R&D and Commercial Solar programs. Amounts are estimates based on approvals and do not reflect amounts actually claimed or legacy programs no longer open to new applicants.

²Grants approved under the Arizona Competes, Job Training and Rural Economic Development Grant programs. Does not include Arizona Innovation Challenge, FAST or STEP grant programs. Dollar amounts shown are the amounts approved and do not reflect the amounts paid in 2013. Grants are paid over time upon achievement of performance milestones.

³Loans made under the AIAF program.

⁴Bond capacity allocated under the Private Activity Bonds program.

FOUNDATION



statewide, long-term economic development initiatives, including:

Manufacturing Extension Partnership. The ACA received a \$5 million grant from the National Institute of Standards and Technology's (NIST) Hollings Manufacturing Extension Partnership (MEP) program to establish and operate Arizona's MEP Center. The MEP Center will serve as a catalyst for strengthening manufacturing in Arizona, accelerating manufacturing's ongoing transformation into a more efficient and powerful engine of innovation.

Arizona Know How Branding Campaign. The ACA's launch of the Arizona Know How branding campaign showcased Arizona's value proposition and considerable competitive business advantages. Telling this story - inside of Arizona and in key markets across the country - is a vital step toward strengthening the state's image.

Unmanned Aircraft Systems (UAS). The ACA finalized its submission to the FAA in connection with Arizona's effort to host one of the country's six federally designated unmanned aircraft systems (UAS) training and testing sites. An economic impact analysis indicates that, over a 10-year period, the UAS industry in Arizona is projected to generate an economic impact exceeding \$15 billion and to create 18,000 new, high-wage jobs.

A&D Industry Summit. The ACA launched an A&D Industry Summit, which brings together industry, education and economic development. These groups work together to determine company-specific workforce needs to consider how Arizona's education system may modify its training to address those needs, to discuss additional industry challenges and to ultimately strengthen the statewide workforce.

The ACA's Fiscal Year 2013 Results

All figures represent three-year projections

	1Q	2Q	3Q	4Q	FY '13	vs. Goal
New Jobs¹	3,660	2,000	3,998	5,604	15,262	127% 12,000
Capital Investment²	\$488.9M	\$200.8M	\$61.3M	\$501.8M	\$1.25B	125% \$1.0B
Wages³	\$63,352	\$44,049	\$56,322	\$47,289	\$53,083	156% 53,038 ⁵
	186% ⁴	129%	165%	139%	156%	155%

¹ Figures in this row represent direct jobs
² Figures in this row represent direct capital investment
³ Figures in this row represent the average wages of the new jobs
⁴ Versus 2011 baseline of \$34,110
⁵ Blended average of Business Plan tiered goals

Total Economic Impact of FY '13 Results

Direct, Indirect and Induced Jobs	Economic Output	Tax Revenue
32,261 ²	\$15.73B	\$366.1M ³

Multiplier Effect Over 5 Years¹

¹Analysis performed by Elliott D. Pollack & Co. based on ACA input
²Includes 4,747 temporary construction jobs
³Of this combined state, county and local amount, \$221.9M was at the state level