A true regional model where public and private members collaborate to promote Greater Phoenix as a great place to grow business.

Supported by Maricopa County, 18 cities and towns, and more than 140 private-sector businesses.

The catalyst that strengthens the region’s economic base, ensuring it is both diversified and competitive.
Recent Trends in Arizona
Jobs Lost Since Peak (December 2007)

Currently at 2004 job level.

Source: U.S. Bureau of Labor Statistics
Economic Development Objectives
Understanding the Big Picture

- Create high quality jobs and a sustainable economy.
- Proactively seek the best projects that meet community and regional objectives.
- Establish targeted programs to enhance competitiveness.
- Market strengths and assets.
### Top 10 U.S. Site-Selection Factors Influencing the Decision-Making Process

<table>
<thead>
<tr>
<th>RANK</th>
<th>FACTOR</th>
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<tbody>
<tr>
<td>1.</td>
<td>Highway accessibility</td>
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<td>2.</td>
<td>Availability of skilled workforce</td>
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<td>3.</td>
<td>Labor costs</td>
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<td>4.</td>
<td>Available land</td>
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<td>5.</td>
<td>Expedited / fast-track permitting</td>
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<td>6.</td>
<td>State and local incentives</td>
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<td>7.</td>
<td>Tax exemptions</td>
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<td>8.</td>
<td>Proximity to major markets</td>
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<tr>
<td>9.</td>
<td>Energy availability and costs</td>
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<tr>
<td>10.</td>
<td>Availability of advanced ICT services</td>
</tr>
</tbody>
</table>

Source: Area Development Consultant Survey 2007
Solutions to Energizing Arizona’s Economy
GPEC Strategies will Strengthen and Diversify Greater Phoenix

California Strategy
International Attraction
Healthcare
Solar / Renewable Energy
Why California?

California is an attractive market for business and investment opportunities, and synergistic partnerships.

- World’s 8th largest economy.
- Largest U.S. solar market.
- Represents 23%-33% of GPEC’s prospects.
- Arizona has a lower operating-cost environment.
California Strategy: Competitor Market Prospecting
Leveraging Growth and Opportunities

Key Objectives

• Develop pipeline of quality companies with expansion or relocation plans.

• Leverage local executives for introductions to California decision-makers.

• Engage mayors and GPEC stakeholders on sales missions.

• Pool resources with Tucson, Flagstaff and Yuma for Arizona Sun Corridor initiative that will increase lead-generation and prospect-qualification.
Why International?

Foreign direct investment (FDI) not only brings wealth into a region, but it also draws international attention, encourages competition and advances innovation.

- Wages average 32% higher than U.S. companies.
- Among top 20 largest states (with 5M plus people), AZ has greatest disparity between export and FDI rankings.
- Correlating FDI with export rankings means an additional $8B in foreign investment and 40,000+ jobs to AZ.*
- Promise of solar; Spain and Germany are leaders for photovoltaic demand.


Source of Export statistics: Origin of Movement Series, Census Bureau, prepared by the Office of Trade and Economic Analysis, International Trade Administration, Department of Commerce.
FDI Strategy
GPEC's Target Markets

Primary Opportunities:
- Germany
- India
- Japan
- Spain
- China
- Australia
- Netherlands

Exploratory Opportunities:
- Canada
- UK
Why Health Care?

Health Care is among a handful of industries that remains resilient during economic slowdown.

- Combined U.S. annual revenue of care providers estimated at $1.5T.
- Arizona gained over 14,100 industry jobs*, despite large declines in most sectors.
- 70% of jobs added were in healthcare and education.*

*From November 2007 to November 2008
Key Objectives

• Increase physician-to-patient ratio by adding more medical doctors to region. Health services and clinical research follow physicians.

• Expand availability of wet-laboratory space to increase biotech research and advance personalized medicine.

• Market Arizona’s Health Care assets and target new companies based on unique opportunities.
Why Solar and Renewable Energy?

Development of the renewable energy and solar supply chain in AZ would result in a concentration of quality jobs.

- Among top 5 states for solar employment by 2016.
- One of 10 states to enjoy largest economic boost from solar energy projects.
- Proximity to world’s 3rd largest solar market.
- Among top 2 states for number of installed solar rooftop systems (per capita basis).
Arizona: Favorable Operating Environment
Business-Friendly State

Arizona Renewable Energy Tax Incentive Program
• Refundable corporate income tax
• Real and personal property tax recategorization

Free-Market Approval

Low-Tax Environment

Right-to-Work State
 Regulatory Environment Favorable to Renewable Energy Companies

- **RES**: 15% by 2025, with 30% distributed generation carve-out
  - AZ will be among top two states in U.S. for number of installed rooftop systems / per capita basis
- **SSA**: Drives commercial installations
- **Net-metering**: Model for other states
Accessibility

• With three-500kv lines, Arizona can supply power to all Western states

Utility-Scale Projects

• Abengoa Solar partnering with Arizona Public Service (APS) on “Solana” — a 280 MW CSP parabolic trough plant on 1,900 acres
Questions?
Thank You for Your Time

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