



Dear GPEC Supporters,

As Chairman of GPEC's Board of Directors, I have a responsibility with our dedicated board and conscientious, professional staff to make this organization as impactful as possible especially in the face of strong economic headwinds.

I am pleased to report that despite the economic turmoil, GPEC staff performance remains very strong, with international prospect activity at 225% of goal year-to-date. International leads and the solar industry remain the strongest areas of prospects for us. And we are developing strategies for companies looking to leave the difficult regulatory environment of California and for our health care industry which has room for significant growth. But prospects and leads are turning to competitor states in the mountain west with stronger

incentive programs, especially in the renewable energy space. In our view, programs on Arizona's books haven't been effective and the lack of a renewable energy program has become a barrier for entry for the burgeoning solar industry. We cannot reverse the trend of stagnant job growth and prepare our region to bounce back from the downturn without new tools in our tool box.

Arizona and the Greater Phoenix region routinely lose out on projects GPEC chases to less desirable locations because of aggressive relocation programs in other states. We have developed a modest, budget neutral program (Quality Jobs Through Renewable Energy program) for the Arizona legislature to consider in this year's session. We have vetted these programs with decision makers in the renewable energy industry and others. Senior executives within these industries have told us this would put Arizona in the position of winning more than our fair share of the billions of dollars of projects representing thousands of high wage jobs. And renowned economist Elliott Pollack stands behind the numbers and affirms that the program is budget neutral.

GPEC was formed 20 years ago to respond to an economic crisis. Today's crisis is much worse and it is time for us to understand that "business as usual" hasn't been working for two years. We need new programs that address what is going on in the marketplace. Last year, the Arizona legislature did not pass our solar program and we have lost billions of dollars of projects and thousands of jobs as a consequence. There are still \$5.5 billion of projects in the solar industry alone but we must have legislation to land these high wage jobs in this clean industry. Our window of opportunity is closing and we must redouble our efforts to convince the Arizona legislature to pass these programs for our cities and counties to use in 2009. In the coming weeks, we will be engaging our membership in a deeper way than we have in the past to get everyone helping us get this done.

I look forward to working with each of our public and private sector partners in getting this over the goal line.

Michael Bidwill
President, Arizona Cardinals Football Club
GPEC Chairman

In November, many of you attended "A Bright Future for Arizona" in which we outlined a vision for Arizona's solar opportunity and articulated our plans to grow this promising industry in our state. It was inspiring to hear from several legislative leaders that they are committed to supporting our Quality Jobs Through Renewable Energy program.

GPEC is geared up and preparing for the new legislative session that begins in January. We will be seeking your assistance to write letters, emails and make phone calls to your legislators. In the meantime, ask your colleagues to support solar and renewable energy. Ask GPEC to present the need for a renewable energy program to your co-workers and professional organizations and get them on board to help build a solar and renewable energy cluster in Arizona.

Several CEO's from our recent NFL ExecuTour said that if our proposed solar and renewable energy program is passed, they will bring their solar project to Arizona. With a commitment from legislators and your continued support, we are encouraged that this program will pass in the legislature this year and we will be competitive in bringing jobs to Arizona.



Thank you to the stakeholders who continue to support GPEC and are engaged in our efforts. We also welcome several new investors: Freeport-McMoRan Copper & Gold, St. Joseph's Hospital and Medical Center, Global Water, Sindel Technology Solutions, Ameriprise Financial, Fervor Creative and Open Doors. Thank you also to Verizon Wireless and the Arizona Cardinals for increasing their investment in GPEC.

Your active participation in GPEC and support are critical. Let's work together to make our future bright in Arizona.

Barry Broome
President and CEO

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LOOKING FORWARD

Maximizing Returns:
What if Arizona Improved Upon Its Existing Economic Development Programs?

As other states are beefing up their economic development tools to attract business and investment to their region, Arizona needs to consider developing sound economic development programs to jump-start the state's economy and strengthen it toward a sustainable, diverse and prosperous future.

An example of one critical economic development tool is the Quality Jobs Through Renewable Energy program, which will be a topic in the legislature this year. If passed, this program will help us realize the opportunities that await us in solar and renewable technologies.

However, it is not only in the solar industry that Arizona lacks a competitive edge. We need a renewed focus on building quality jobs in our state. What if Arizona had a plan that would bridge gaps in our healthcare system, improve requirements for companies seeking tax benefits and accelerate foreign direct investment?

As a state, we must work together to ensure we are developing solutions through economic development programs. Continuing to have a vision toward developing new or improving existing programs is vital to our success.

Looking for Solutions:
WHAT IF ARIZONA...

Expanded the Arizona Global Network (AGN)?
Concept: Increase investment in the Arizona Global Network (AGN). GPEC's international prospects represent 16% of all prospects generated year-to-date. Implement direct selling strategies, such as business development professionals on the ground in target markets to help FDI activity in the state gain greater traction.

Offered an R&D tax credit for start-up companies?
Concept: Keep innovative start-up companies in Arizona by offering a transferable tax credit which they can sell to acquire the cash needed to continue or expand their R&D activity and operation. Would apply to renewable energy, bioscience and other non-retail industries.

Improved the existing Enterprise Zone Program?
Concept: Build on the existing Enterprise Zone (EZ) program to spur new investments and create high-wage jobs. Create an overlay program on previously designated areas that benefits large companies that bring hundreds of quality jobs to the region.

Inter-Regional Collaboration to Accelerate Opportunities for AZ

GPEC, in partnership with Tucson Regional Economic Opportunities, is working to actively seek investment opportunities and promote Arizona in targeted California markets.

Between FY02 - FY07, more than 30% of GPEC prospects were from California.

Arizona has competitive advantages ranging from geographic proximity, skilled workforce and rapid population growth. An increasing cost of doing business in California, threat of natural disasters, congestion and other social and economic factors have compelled businesses to consider opportunities for expansion and relocation outside of California.

Targeted industries in California include solar, healthcare and high-tech.

This first-time collaboration effort leverages resources from the two entities to quickly expand our reach into California and seek investment opportunities.

GPEC ANNUAL REPORT NOW ONLINE

In 2008, GPEC assisted 24 companies with their expansions to the region, creating almost 5,500 jobs, and generating approximately \$224 million in payroll. GPEC's 2008 Annual Report outlines additional fiscal year results.

Download the report at
www.gpec.org/annual_report.pdf
or email info@gpec.org
to request a copy.

BUSINESS ATTRACTION

GPEC Pursues Solar Companies in Three European Countries

In September, GPEC traveled to Austria, Germany and Spain to continue increasing foreign direct investment in Arizona. GPEC was accompanied by representatives from the Arizona Department of Commerce and the City of Phoenix.

The GPEC delegation met with more than 30 European companies considering a U.S. expansion or investment, mostly in the solar technology industry. The trip, which gave us tremendous insight into the European solar market, resulted in 10 leads and 12 prospects.

Thank you to US Airways for providing in-kind airfare for GPEC.

Arizona Delegation Strengthens Ties With Dubai

As part of Mayor Phil Gordon's Phoenix Global Trade Initiatives (PGTI), GPEC was part of a six-person delegation that traveled to Dubai and worked on finalizing an economic development partnership between Dubai and Arizona.

Many Dubai investors are looking at the opportunities presented by the current market situation in the U.S. The group met with several companies in Dubai that have expressed interest in doing business with companies in Greater Phoenix. Discussions were focused on bringing foreign investment here for a variety of projects, including new developments and investments in solar energy and aerospace.

Dubai and Greater Phoenix have many similarities in climate and rapid population growth, in addition to shared industry strengths. The Phoenix-Dubai focus is only one part of Mayor Gordon's larger plan for PGTI. The Mayor's leadership and vision in securing a trade agreement with the wealthy, oil-rich emirate will positively impact the entire region and the potential for the expansion of bilateral trade and foreign direct investment are unprecedented.

GPEC EVENTS RECAP

GPEC and Arizona Cardinals Team Up to Host ExecuTour



In early November, GPEC and the Arizona Cardinals hosted 26 executives representing 17 companies from Germany, Spain, Austria and California for an executive tour ("ExecuTour") of Greater Phoenix. Most of the guests were from solar companies considering expansion or investment into the Western U.S., along with two bioscience firms. The potential investment the solar companies in attendance can bring to our state exceeds \$1.4 billion and nearly 1,500 jobs.

Planning for the ExecuTour began in August, prior to the financial market crisis and economic downturn. Despite this, GPEC maintained a high-level of interest by companies with viable projects. ExecuTour guests toured regional assets, met one-on-one with local CEO's and state and community leaders, and learned about the economic and quality-of-life benefits

in Greater Phoenix. The final days of the program included an update on Arizona's renewable energy policies at the "A Bright Future for Arizona" event, which garnered nearly 160 attendees, and an exciting game victory for NFC West division champions, the Arizona Cardinals.

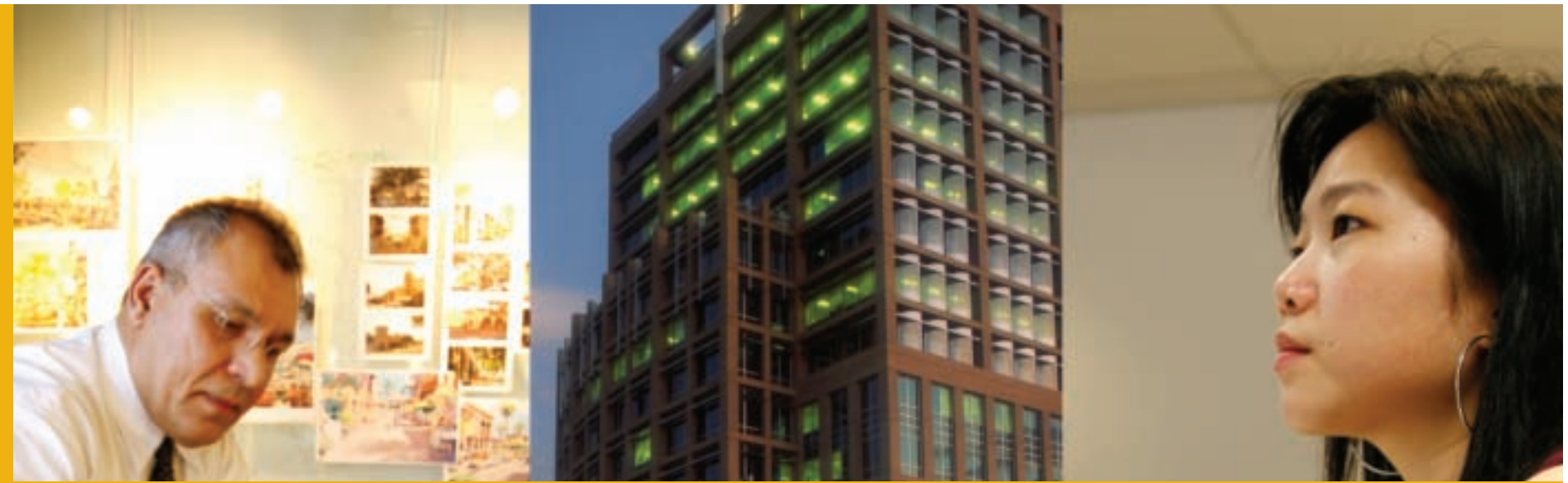
Hosting decision-makers to this ExecuTour was made possible through sponsorships and in-kind services toward airfare, hotel, game tickets and receptions. In addition to in-kind donations from the Arizona Cardinals Football Club, US Airways and Southwest Airlines, the program was sponsored by ASU SkySong Center for Innovation, Squire Sanders and the Arizona Department of Commerce. We also thank Mayor Lyn Truitt and City of Surprise leadership for hosting several executives and their guests at the Cancer Treatment Centers of America Championships in Surprise.

ExecuTour Results

- Confirmation on a bioscience R&D operation.
- Commitment to establish a biotech start-up in collaboration with InNexus Biotechnology.
- Short-listed by a solar thin-film manufacturer representing 700 jobs and \$215 million capital investment.
- Short-listed by a solar thin-film manufacturer representing 120 jobs and \$125 million capital investment.
- Short-listed by a CPV firm representing 20 jobs and \$10 million capital investment and an opportunity to compete for a larger future expansion.
- Short-listed by a PV manufacturer representing 100 jobs and \$100 million capital investment.

UPCOMING EVENTS

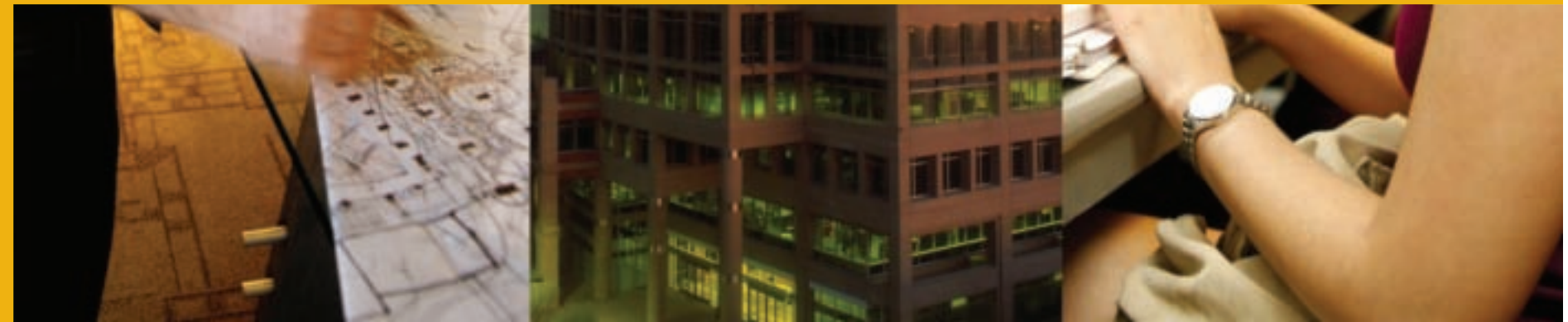
January 12	Arizona legislative session begins	February 12-16	NBA All-Star 2009 in Phoenix
January 20	Presidential inauguration	February 15-17	CEO Summit: Balancing Sustainability and the Bottom Line in Tempe
January 25-27	International Economic Development Leadership Conference in Tempe	April 14-15	Greentech Media's 2009 Solar Industry Summit in Phoenix
February 9-12	Medical Device and Manufacturing (MD&M) Show in Anaheim, CA		



MARKETWISE

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GREATER PHOENIX ECONOMIC COUNCIL



The Greater Phoenix Economic Council is a public-private partnership with more than 140 private-sector stakeholders, Maricopa County and 18 communities. Our mission is to attract quality businesses from around the world to Greater Phoenix and champion foundational efforts to improve the region's competitiveness.

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