

MISSION CRITICAL OPERATIONS

IN GREATER PHOENIX



**AS ONE OF THE FASTEST GROWING
AND DYNAMIC METROPOLITAN
REGIONS IN THE COUNTRY, GREATER
PHOENIX HAS A PIONEERING SPIRIT
AND WELCOMING ATTITUDE —
TOWARD PEOPLE *AND* BUSINESS.**

Greater Phoenix offers a pro-business climate with infrastructure necessary to support robust, mission critical operations. Our region is known for its accessibility, vibrant workforce and exceptional quality of life. Companies from around the world take advantage of all that Greater Phoenix has to offer.



Photo Credit: Jerry Ferguson

AVAILABLE SITES, LOW COST OPERATIONS WITH ROBUST POWER AND HIGH-SPEED FIBER

Companies like American Express, Apple, Bank of America, Charles Schwab, eBay, Fry's, GoDaddy, IO Data Centers and Safeway all enjoy Arizona's affordable operating environment and market advantages such as:



THE 6TH LARGEST CONCENTRATION OF DATA CENTERS NATIONALLY



TOP 20 NATIONALLY FOR CONCENTRATION OF TECH TALENT

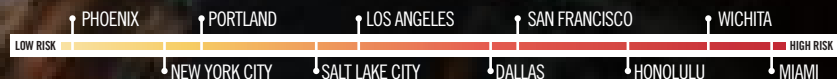


AGGRESSIVE DATA CENTER INDUSTRY INCENTIVES



LOW NATURAL DISASTER RISK

The low chance for natural disasters positions
Greater Phoenix as a top choice for data centers.



Source: RMS, Catastrophic Risk in the United States, 2015

GREATER PHOENIX BOASTS SOME OF THE BEST IN THE BIZ

»» MISSION CRITICAL OPERATIONS THRIVE IN GREATER PHOENIX

These companies and more have already realized the benefits of doing business in Greater Phoenix.

FEATURED CO-LOCATION DATA CENTERS:



SELECT ENTERPRISE DATA CENTERS:


- American Express
- Apple
- Bank of America
- Charles Schwab
- eBay
- Fry's
- GoDaddy
- Safeway

ADVANTAGEOUS BUSINESS CLIMATE


Companies in Greater Phoenix benefit from low business costs, minimal regulation and an advantageous operating environment. The state offers a minimalist regulatory approach, no corporate franchise tax and is constitutionally recognized as a right-to-work state. From aggressive tax credits and incentives to programs designed to increase access to capital, the region offers direct access to Arizona’s robust, pro-business climate.

AN ENVIRONMENT TO SUPPORT AND GROW INDUSTRY


The modern and dependable infrastructure of Greater Phoenix offers easy and reliable access to the market and your company’s consumer base. Our region is a low-cost, low-regulation alternative that is well positioned to service California and the Southwest.




Electric providers APS and SRP rank in the top 3 business service providers *(J.D. Power & Associates, 2015)*




Greater Phoenix experiences only 0.3% downtime in power with an average outage time less than 30 minutes *(Eaton, 2014)*



Ranked in the top 10 for low catastrophic and natural disaster risk



Stable state-wide water supply, operating at 1957 levels of consumption



The Palo Verde Nuclear Power Plant is the largest nuclear power plant in the United States with a 3,739 MW capacity

WITH 90-DAY OR FEWER PERMITTING, LOCATING OR EXPANDING IN ARIZONA TAKES A FRACTION OF THE TIME AND COMPANIES’ OPERATIONAL COSTS ARE UP TO 40% LESS THAN IN CALIFORNIA.

THE REGION’S DIVERSE ENERGY MIX INCLUDES

APS	
35.3%	Coal
27.6%	Nuclear
20.1%	Natural Gas
9.5%	Renewables
7.5%	Energy Efficiency

SRP	
51%	Coal
17%	Nuclear
14%	Natural Gas
14%	Sustainable
4%	Other

GEOGRAPHIC POSITION FOR MAXIMUM BUSINESS EFFICIENCY

ACCESS TO MAJOR MARKETS, CUSTOMER BASE

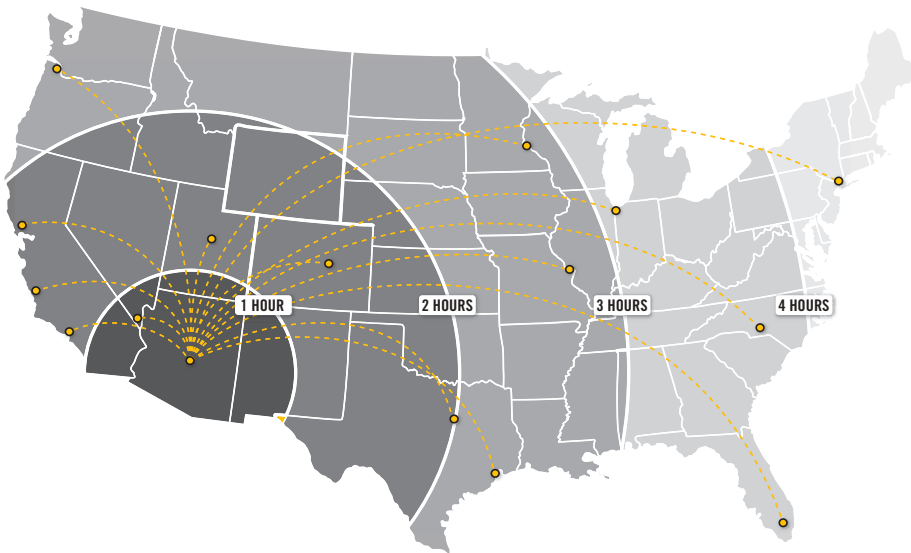
The Greater Phoenix region offers dependable infrastructure and accessibility to your company's consumer base. Offering a low-cost, low-regulation operating environment that is well positioned to access California and the rest of the West Coast.



CONNECTIVITY BY:

AIR

- Phoenix Sky Harbor International Airport handles 40 million passengers annually and the region is also home to eight additional general aviation airports
- Sky Harbor offers approximately **2,100 DAILY DIRECT FLIGHTS** to hundreds of domestic cities as well as internationally to cities throughout Canada, Mexico and the United Kingdom
- Phoenix Goodyear Airport and Phoenix-Mesa Gateway Airport serve as relievers to Sky Harbor



HIGHWAY

- Transportation to major markets and west coast ports via I-10, I-8 and I-40
- Six-hour drive to Los Angeles and San Diego
- Less than one day drive to Albuquerque, Austin, Dallas and Salt Lake City
- Major freeways (I-10, I-17 and U.S. Route 60) and three beltways (Loops 101, 202 and 303) provide easy access within the region
- The Phoenix metro street and freeway-planning system is a grid that provides easy and efficient travel within the region, resulting in an average commute time of just 24.7 minutes



Photo Credit: Alan Stark, Flickr.com

COMPETITIVE OPERATING advantages

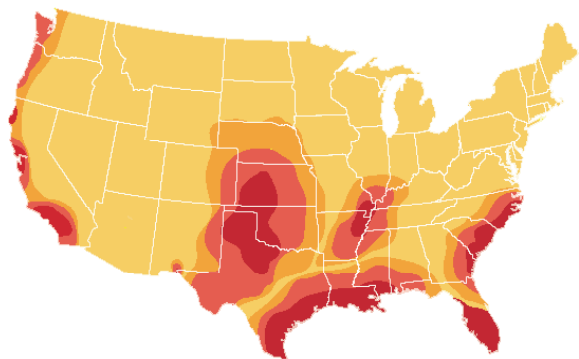
- » Minimal regulation
- » Right-to-work state
- » Low unionization
- » Permitting guaranteed in 90 days or less
- » Low workman's comp and unemployment insurance costs
- » Highly skilled, low cost workforce
- » Proximity to large markets
- » Incentives targeting manufacturers
- » No inventory tax
- » Aggressive depreciation schedules
- » 100% of net operating loss may be carried forward for five years
- » Manufacturing and electricity sales tax exemptions

OPERATING ENVIRONMENT + INCENTIVES

AN IDEAL CLIMATE FOR MISSION CRITICAL

**THE LOW CHANCE FOR
NATURAL DISASTERS
POSITIONS GREATER
PHOENIX AS A TOP
CHOICE FOR DATA
CENTERS.**

Source: RMS, Catastrophic Risk in the United States, 2015



The region also has potential to reduce amounts of energy usage as a result of the region's stable climate. Greater Phoenix offers mild weather for the majority of the year, creating the availability for economizer, or "free cooling" strategies, thus eliminating the need for expensive mechanical refrigeration.

With cabinet arrangements using enclosed hot aisles, the Phoenix climate offers:

- Reduced chiller operation up to 40% of the year
- Free air side cooling up to 38% of the year
- Water side free cooling (or no chiller operation) up to 41% of the year

Should a facility operate with direct evaporative cooling strategies, the data center can potentially operate up to 70% of the year without the use of chillers.

Rewarding QUALIFIED COMPANIES

Our policymakers are committed to maintaining lower taxes and providing competitive incentives, including the Qualified Facilities Tax Credit, a competitive tax credit to promote the location and expansion of manufacturing facilities, including manufacturing-related research and development or headquartered facilities.

ARIZONA COMPETITIVENESS PACKAGE

The corporate income tax rate decreases to 4.9% in 2017
Sales Factor increases each year up to 100% in 2017

ADDITIONAL DEPRECIATION

Companies not receiving property tax incentives under the Renewable Energy Tax Incentive Program (RETIP), Foreign Trade Zone Program (FTZ) or The Military Reuse Zone (MRZ) programs can elect to take additional depreciation on their personal property

QUALITY JOBS TAX CREDIT

\$9,000 per qualified employee

ARIZONA DATA CENTER SALES TAX EXEMPTIONS

- Sales tax exemptions are provided for data center equipment for owners, operators and colocation tenants of computer data centers who are certified by the Arizona Commerce Authority (ACA)
- A qualified colocation tenant is an entity that enters into a contract with the owner or operator of a computer data center for an IT load of at least 500 kilowatts per month for a period of two or more years.
- To qualify for tax relief as a new data center, it requires, within five years of certification, that an owner or operator make a minimum of investment of:
 - » \$25 million if located in a county with a population under 800,000
 - » \$50 million if located in a county with a population greater than 800,000 (Maricopa and Pima Counties)
- The qualification period is 10 calendar years from when the certification form is filed, unless the data center qualifies as a sustainable redevelopment project whereas the qualification period may then be 20 years
- A sustainable redevelopment project is defined as a data center that satisfies investment requirements described above and that occupies or will occupy the structural improvement at an existing facility that either:
 - » Was at least 50 percent vacant for six of the last 12 months before the acquisition by purchase or lease of or with respect to the facility, OR
 - » Attains certification under the Energy Star or Green Globes Standard, the Leadership in Energy and Environmental Design (LEED) green building rating standard developed by the United States Green Building Council, or an equivalent green building standard that was not previously certified under these standards



MATURE TALENT *and* WORKFORCE PIPELINE

Arizona has an extremely competitive workforce in regards to training, quality and availability of workers while maintaining one of the lowest costs for labor in the nation.



THE CURRENT POPULATION OF GREATER PHOENIX IS 4.4 MILLION AND IS EXPECTED TO GROW TO NEARLY 6.6 MILLION IN THE NEXT 20 YEARS.



GREATER PHOENIX HAS A MEDIAN AGE OF 35.4 — TWO YEARS YOUNGER THAN THE AVERAGE AGE NATIONWIDE.



Photo Courtesy of Arizona Republic

PROJECTED EMPLOYMENT GROWTH OVER THE NEXT DECADE IS 5.4% COMPARED TO THE NATIONAL PROJECTED DECLINE OF 0.2%.



EDUCATIONAL ASSETS:

A CONTINUOUS STREAM OF TALENTED EMPLOYEES

Arizona has an extremely competitive workforce in regards to training, quality and available of workers, while maintaining one of the lowest costs for labor in the nation.

Arizona State University, Grand Canyon University, Maricopa Community Colleges, Northern Arizona University, Universal Technical Institute, University of Arizona and the University of Phoenix are among the more than 40 universities and other institutions of higher learning that prepare the region's workforce.

OF STUDENTS ENROLLED IN BUSINESS DEGREE PROGRAMS (GRADUATE AND UNDERGRADUATE):

Arizona State University	8,637 (undergrad only)
Grand Canyon University	12,640
Maricopa Community Colleges	7,506
Northern Arizona University	2,114
University of Arizona	5,800



ARIZONA STATE UNIVERSITY:

ASU offers engineering degrees in industrial, mechanical, materials science and electrical engineering and has a student population of 80,000 across four campuses.



**ASU IS #5 IN THE NATION
FOR BEST-QUALIFIED
GRADUATES** *(Wall Street Journal)*



**80,000+ ASU STUDENT
POPULATION**



**70% OF ASU GRADUATES
REMAIN IN THE STATE
OF ARIZONA FOLLOWING
GRADUATION**

MARICOPA COMMUNITY COLLEGES:

Maricopa Community Colleges provide job-skill training to 260,000 individuals annually.

AFFORDABLE LIFESTYLE WITH AN INCLUSIVE *culture*

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Greater Phoenix encompasses distinct communities, each with its own identity and assets. Collectively, they offer vast opportunity. Because you don't have to be entrenched in the business or social hierarchy of the region to succeed, Greater Phoenix offers everyone the chance to thrive and make a significant impact.

Photo Credit: Alan Stark, Flickr.com



LIVE

MORE THAN 300 DAYS
OF SUNSHINE ANNUALLY

HOME TO FIVE
PROFESSIONAL SPORTS
TEAMS

MORE THAN 325 GOLF
COURSES

DRIVE TO BEACHES OR
THE MOUNTAIN PINES
WITHIN HOURS

WORK

MEDIAN HOUSEHOLD
INCOME OF \$53,228

EFFECTIVE PROPERTY
TAX RATE OF 1.25%

PERSONAL INCOME
TAX RATE OF 2.59% TO
4.54%

AVERAGE COMMUTE
TIME IS 24.7 MINUTES

PLAY FLOURISHING ARTS & CULTURE SCENE



HEARD MUSEUM

Photo Credit: Paulina Pineda, Flickr.com



PHOENIX ART MUSEUM

Photo Credit: Fuzzy Gardes, Flickr.com



MUSICAL INSTRUMENT MUSEUM

Photo Credit: Thomas Quine, Flickr.com



GAMMAGE AUDITORIUM

Photo Credit: Nick Bastian, Flickr.com



MESA ARTS CENTER

Photo Credit: David Crummey, Flickr.com

THOUSANDS OF ATTRACTIONS & EVENTS



BARRETT-JACKSON CLASSIC CAR AUCTION

Photo Credit: DeusXFlorida, Flickr.com



DESERT BOTANICAL GARDEN

Photo Credit: Loren Javier, Flickr.com



PHOENIX ZOO

Photo Credit: Stefanie Nickolaisen, GPEC



ARTLINK FIRST FRIDAYS

Photo Credit: Chanel Wheeler, Flickr.com



MORE THAN 30 CRAFT BREWERIES

Photo Credit: Kevin Dooley, Flickr.com

PROFESSIONAL SPORTS



NFL ARIZONA CARDINALS

Photo Credit: Chris Cameron, Flickr.com



NHL ARIZONA COYOTES

Photo Credit: Sergei Scurfield, Flickr.com



NBA PHX SUNS & WNBA PHX MERCURY

Photo Credit: Keith Allison, Flickr.com



MLB AZ DIAMONDBACKS & SPRING TRAINING

Photo Credit: Ken Lund, Flickr.com



NASCAR AT PHX INTERNATIONAL RACEWAY

Photo Credit: Hans Enderle, Flickr.com

The Greater Phoenix Economic Council (GPEC) provides companies with complimentary confidential, expert support in streamlining site searches, connectivity to decision-makers and access to world-class talent.

GPEC's customized tools and business development professionals are ready to demonstrate how this region can improve your bottom line.

EXPAND WITH US »
FOR MORE INFORMATION

Visit gpec.org or contact one of our expert business development professionals at 602.256.7700 or info@gpec.org.



OPERATIONAL COST COMPARISON AND MODELING:

- Perform annual operating cost comparisons across major markets
- Analyze transportation, real estate, tax incentives and labor costs



REGIONAL ECONOMIC LABOR MARKET DATA:

- Provide current wage rates, labor force and skill levels based on occupation and industry
- Research shipping costs, housing affordability and demographics



ECONOMIC IMPACT & INCENTIVE ANALYSIS:

- Provide project's economic impact and community benefit analysis
- Understand the projected economic contribution to the community and region to help encourage a competitive business assistance package



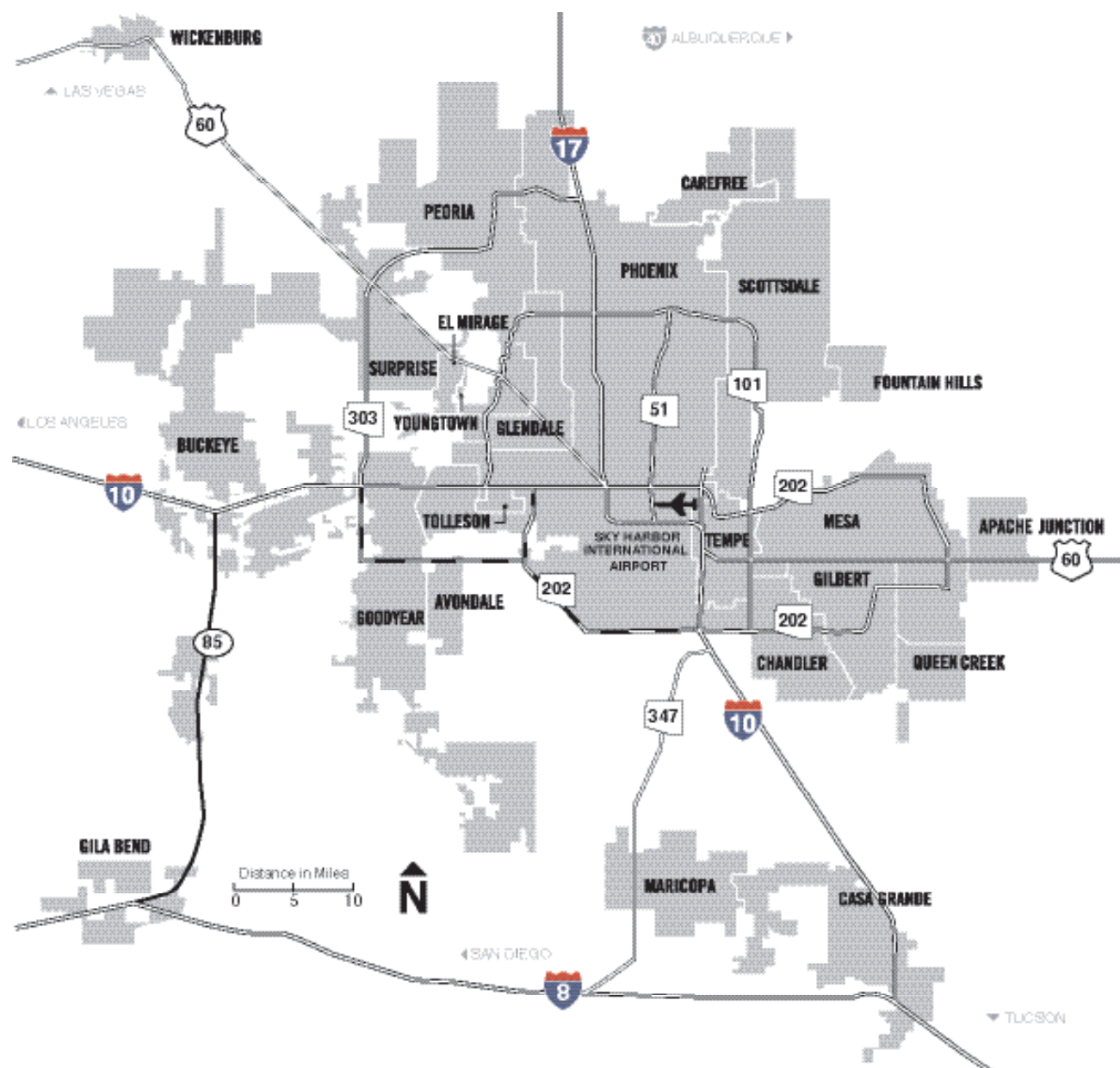
SITE-SELECTION ASSISTANCE:

- Aggregate a comprehensive listing of value-based assets, unique buildings and shovel-ready sites
- Search for properties by size, location, price, zoning and more
- Prepare GIS mapping analysis



CONNECTIVITY TO KEY RESOURCES, HR/EMPLOYMENT ASSISTANCE:

- Introduce your company to community college, university and key workforce assets
- Coordinate with state and local regulatory authorities



The Greater Phoenix Economic Council represents
Maricopa County, 23 cities and towns, and more than 170 private investors.

GPEC provides data-rich analytics and local market intelligence
and connects companies to key public and private leaders.



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gpec.org

MARICOPA COUNTY
APACHE JUNCTION
AVONDALE
BUCKEYE

CAREFREE
CASA GRANDE
CHANDLER
EL MIRAGE

FOUNTAIN HILLS
GILA BEND
GILBERT
GLENDALE

GOODYEAR
MARICOPA
MESA
PEORIA

PHOENIX
QUEEN CREEK
SCOTTSDALE
SURPRISE

TEMPE
TOLLESON
WICKENBURG
YOUNGTOWN