



Greater Phoenix Standard Manufacturing Ecosystem

JULY 2024

An Environment to Support and Grow Industry

Companies in Greater Phoenix benefit from low business costs 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.

Comparative Operating Advantages

- Minimal regulation
- Right-to-work state
- Low unionization
- Low workers' compensation and unemployment
- Foreign Trade Zone (AZ Property Tax Benefit)
- Military Reuse Zone



Strategic management of water supply, using 1957 consumption levels



Arizona ranked in the top 15 for low catastrophic and natural disaster risk



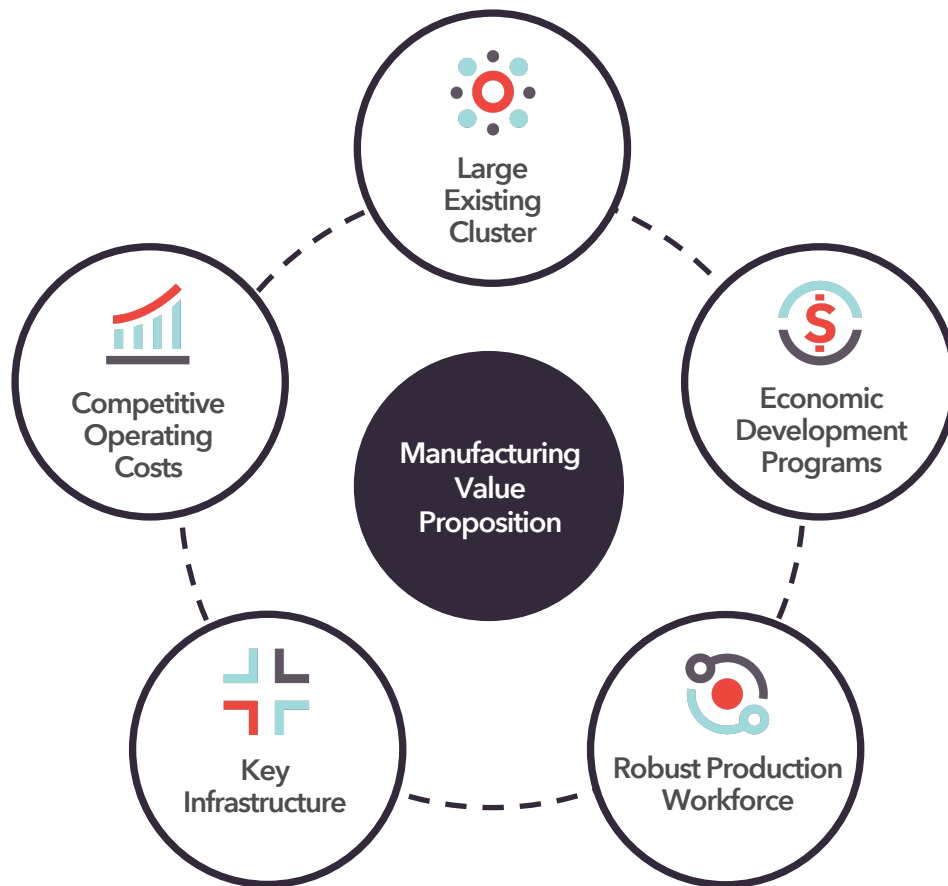
Electric providers APS and SRP rank as top business service providers by J.D. Power for satisfaction

Lower Costs, Greater Value

- 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
- Sales tax exemptions on equipment and utilities used for manufacturing



Value Proposition



Large Existing Cluster	Economic Development Programs	Robust Production Workforce	Key Infrastructure	Competitive Operating Costs
<ul style="list-style-type: none"> • Home to 3,775 manufacturing establishments • Companies with a major presence in the region include Shamrock Foods, Swire Coca-Cola, Cavco Industries • Major standard manufacturing sectors are food, nonmetallic mineral product, plastics and rubber, furniture and printing 	<ul style="list-style-type: none"> • Up to \$20,000/job in refundable tax credit • \$9,000 of corporate income tax credits per job • Additional depreciation • Sales tax abatement on electricity and natural gas • Sale tax exemptions for machinery and equipment • Foreign Trade Zone sites can reduce property taxes by nearly 70% 	<ul style="list-style-type: none"> • Total employment of 181,279 in manufacturing establishments • Labor costs are tens of thousands of dollars less per employee per year • Strong talent pipeline due to manufacturing-specific programs at the high school, community college and university level 	<ul style="list-style-type: none"> • Access to Interstates 8, 10, 17 and 40 • Served by Union Pacific and BNSF Railroads • Sky Harbor International Airport serves many major freight carriers • Well-designed existing and planned highways throughout region • Multiple industrial gas manufacturing companies located within the region 	<ul style="list-style-type: none"> • Cheaper than many major competitor markets • Right-to-work state • Business friendly tax environment • No inventory tax, 4.9% corporate income tax rate and 2.5% personal income tax rate

Industry Cluster

Standard Manufacturing Overview

The standard manufacturing ecosystem accounts for over 45,000 jobs in Greater Phoenix. Below are some of the industries in the cluster in which Greater Phoenix excels, as well as the top companies by employment in the cluster.

Regional Competencies

Industry	Employment
Food Manufacturing	10,545
Nonmetallic Mineral Product Manufacturing	6,188
Plastics and Rubber Products Manufacturing	6,027
Furniture and Related Product Manufacturing	5,312
Printing and Related Support Activities	5,137
Wood Product Manufacturing	4,470
Beverage and Tobacco Product Manufacturing	4,005

Largest Standard Manufacturing Employers

Company	Industry	Manufacturing Employment
JBS	Animal (except Poultry) Slaughtering	1,753
West Pharmaceuticals	All Other Plastics Product Manufacturing	1,386
Swire Coca-Cola	Soft Drink Manufacturing	885
CalPortland Company	Cement Manufacturing	828
HelloFresh	Perishable Prepared Food Manufacturing	750
PepsiCo	Soft Drink Manufacturing	667
Cafe Valley	Commercial Bakeries	605
Cemex	Ready-Mix Concrete Manufacturing	588
Cavco Industries	Manufactured Home (Mobile Home) Manufacturing	575
SK Food Group	Perishable Prepared Food Manufacturing	550

Industry Cluster

Strong International Presence

Greater Phoenix's standard manufacturing industry is bolstered by internationally-owned companies, which employ over 10,000 people in the region. Below are the top countries and international companies by standard manufacturing employment in Greater Phoenix.

Parent Country	Manufacturing Employment	Distinct Count of Companies
Brazil	1,753	1
Singapore	1,511	3
United Kingdom	1,311	6
Japan	1,165	8
Germany	962	8
Mexico	860	5
Ireland	618	4
Switzerland	505	4
Canada	346	7
Belgium	274	2



Parent Country: Brazil
Employees: 1,753



Parent Country: United Kingdom
Employees: 885



Parent Country: Japan
Employees: 828



Parent Country: Germany
Employees: 750



Parent Country: Mexico
Employees: 588



Parent Country: Ireland
Employees: 395

Industry Cluster

Companies Headquartered in Greater Phoenix

Companies that manufacture food products, furniture, textiles and more have made Greater Phoenix their home. Below are some of the companies that have their headquarters and manufacturing operations in Greater Phoenix.



Industry: Food Manufacturing
Employees: 1,855



Industry: Food Manufacturing
Employees: 605



Industry: Surgical and Medical
Instrument Manufacturing
Employees: 600



Industry: Manufactured Home
(Mobile Home) Manufacturing
Employees: 591



Industry: Perishable Prepared
Food Manufacturing
Employees: 550



Industry: Metal Window and
Door Manufacturing
Employees: 350



Industry: Fiber-Based Packaging
Manufacturing
Employees: 200



Industry: All Other Plastics
Product Manufacturing
Employees: 188



Industry: Other Fabricated Wire
Product Manufacturing
Employees: 157



Industry: Dental Equipment and
Supplies Manufacturing
Employees: 150



Industry: Showcase, Partition,
Shelving, and Locker
Manufacturing
Employees: 64



Industry: Sporting and Athletic
Goods Manufacturing
Employees: 65

Industry Cluster

Recent Locates and Expansions

Companies continue to see the benefits of locating in Greater Phoenix. The following companies have brought operations to the region in 2022 and 2023.



Industry: Apparel Manufacturing
Phase I Jobs: 300



Industry: Wood Product
Manufacturing
Phase I Jobs: 180



Industry: Nonmetallic Mineral Product
Manufacturing
Phase I Jobs: 250



Industry: Plastics and Rubber
Product Manufacturing
Phase I Jobs: 58



Industry: Computer and Electronic
Product Manufacturing
Phase I Jobs: 150



Industry: Food Manufacturing
Phase I Jobs: 500



Industry: Transportation
Equipment Manufacturing
Phase I Jobs: 94



Industry: Fabricated Metal Product
Manufacturing
Phase I Jobs: 355



Industry: Miscellaneous Manufacturing
Phase I Jobs: 425



Industry: Food Manufacturing
Phase I Jobs: 350



Industry: Food Manufacturing
Phase I Jobs: 161



Industry: Primary Metal Manufacturing
Phase I Jobs: 80

Mature Talent & Workforce Pipeline

Education is critical not only for companies trying to meet today's demands, but also for preparing tomorrow's workforce to excel in a dynamic manufacturing environment.

Arizona has an extremely competitive workforce regarding training, quality and availability 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, University of Arizona and the University of Phoenix are among the more than 40 institutions of higher learning that prepare the region's workforce.

Arizona State University

#1 most innovative school in the U.S.
(U.S. News & World Report, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024)

#1 in the nation for global impact in research, outreach, and stewardship (U.S. News & World Report, 2022)

Student population of 80,000+ across four regional campuses



The current population of Greater Phoenix is 5 million and is expected to grow to nearly 6.7 million in the next 20 years.

University of Arizona

Ranked among the top 0.5% of global universities (Center for World University, 2023)

#5 in Management Information Systems programs in the U.S. (U.S. News & World Report, 2023)



A relatively young region, Greater Phoenix has a median age of 37.6 – more than one year younger than the average nationwide.

Maricopa Community Colleges

Educates and trains almost 100,000 individuals annually



Projected employment growth over the next decade is 13% compared to the national projected growth of 10%.

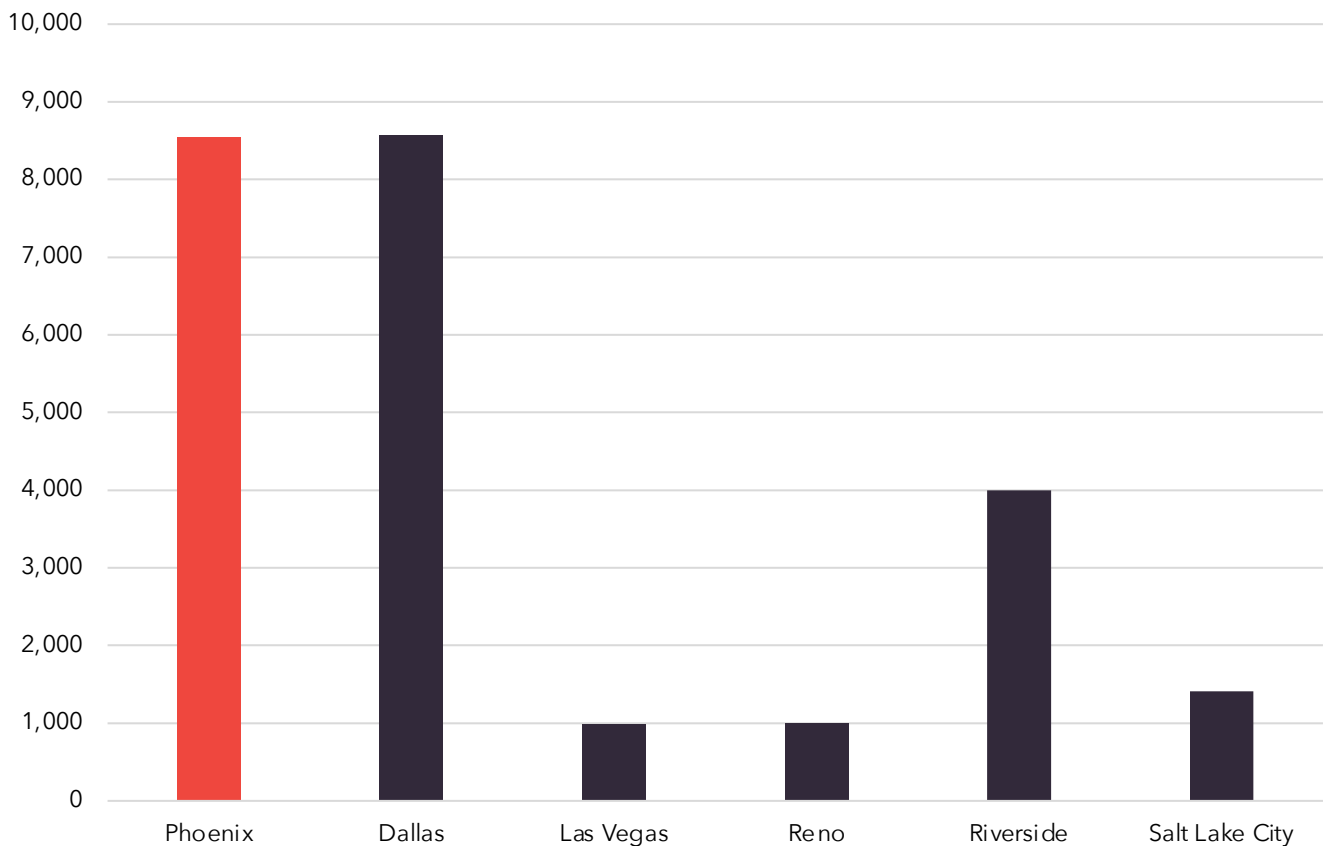
Talent Pipeline

Greater Phoenix Talent Pipeline

Below are total numbers of non-distance program completions at Greater Phoenix colleges and universities for engineering, engineering technologies and engineering-related fields, mechanic and repair technologies/technicians, precision production, and transportation and materials moving programs in 2023.

Certificate	Associate	Bachelor	Master	Doctor	Total
3,816	1,345	1,786	1,451	149	8,547

2023 Graduates by Region



Talent Pipeline

Universities

Arizona has three four-year public universities: Arizona State University in Tempe, Northern Arizona University in Flagstaff and the University of Arizona in Tucson, along with the private Grand Canyon University. Arizona State University has top-ranked engineering and technology programs, with the Ira A. Fulton School of Engineering undergraduate program ranking in the top 20% of ranked programs by U.S. News & World Report. Many of its 350 faculty members have been honored with the highest awards in their fields. The engineering school provides almost 32,000 students per year with advanced knowledge on challenges in energy, health, sustainability, education and security. It offers a wide range of innovative programs like E2 Camps, engineering residential communities, undergraduate research, student organizations and Engineering Projects in Community Service (EPICS), to help prepare students for occupations in the future.

Arizona State University, Northern Arizona University and University of Arizona each have a full range of engineering, engineering technology/technician and general production/industrial related programs. Examples of production programs include aerospace engineering, computer engineering, electrical and electronics engineering, mechanical engineering, industrial technology/technician, machine tool technology/machinist, welding technology/welder and others. There were approximately 12,134 non-distance production-related graduates in 2023 from universities across Arizona, and the community colleges and trade schools within Greater Phoenix. Arizona State University supplied 3,257 of these graduates.

University	Type	City	Total Enrollment*	Total Graduates*	Production Graduates*
Arizona State University	4-yr Public	Tempe	79,593	20,996	3,257
Grand Canyon University	4-yr Private	Phoenix	25,800	5,388	136
Maricopa County Community Colleges	2 to 4-yr Public	Multiple**	99,229	24,178	2,002
Northern Arizona University	4-yr Public	Flagstaff	23,453	5,655	244
University of Arizona	4-yr Public	Tucson	52,629	11,914	863
Total	-	-	280,704	68,131	6,502

*Non-distance, except for MCCCDC and UA's total graduates which is both non-distance and distance

**Locations include Avondale, Chandler, Glendale, Mesa, Phoenix, Scottsdale and Tempe

Source: Lightcast 2024 Q2 Dataset; ASU Facts; UA Fact Book; NAU Quick Facts; GCU; MCCCDC Fast Facts

Talent Pipeline

Community Colleges and Education Districts



Arizona Advanced Manufacturing Institute

Located at Mesa Community College, the Arizona Advanced Manufacturing Institute (AzAMI) offers industry certifications; stackable credentials that are competency based with degree and certificate programs, flexible models of delivery; and portable labs for on-site training to ensure the region has the necessary pipeline of talent for present and future companies. By partnering with leaders in the manufacturing sector, AzAMI can ensure programs meet the needs of the industry.



Maricopa County Community College District

Maricopa County Community College District (MCCCD) is comprised of 10 colleges, two skill centers and numerous education centers. This community college system is one of the largest in the country, training over 85,000 students annually. MCCCD has more than 900 areas of study, with credit programs in 95% of the highest demand occupations in the region.



East Valley Institute of Technology

The East Valley Institute of Technology (EVIT) has three locations that provide advanced career & technical education to high school students and adults with programs including health sciences, construction, welding, aviation, future engineers, cosmetic arts and more. More than 6,000 students were enrolled in the 2023-24 academic year.



Western Maricopa Education Center

Located in Glendale, the Western Maricopa Education Center (West-MEC) is a public school district dedicated to providing innovative career and technical education (CTE) programs to high school-aged students and adults. The CTE programs provide students opportunities to earn college credit and industry credentials. Currently there are more than 45,000 students from 49 high schools enrolled in West-MEC funded programs.

Talent Pipeline

Community Colleges, Education Districts and Trade Schools

The table below shows enrollment and degree completion figures for higher education institutions with programs relevant to the standard manufacturing industry.

University	Type	City	Total Enrollment	Total Graduates	Production Graduates
Arizona Automotive Institute	Associate	Glendale	411	246	244
Central Arizona College	Associate	Coolidge	4,652	1,243	123
Chandler-Gilbert Community College	Associate	Chandler	13,775	867	228
DeVry University	Master's	Phoenix	73	34	1
East Valley Institute of Technology	<2-yr Certificate	Mesa	600	233	35
Estrella Mountain Community College	Associate	Avondale	9,620	662	50
GateWay Community College	Bachelor's	Phoenix	5,142	2,219	613
Glendale Community College	Bachelor's	Glendale	13,342	3,380	234
Mesa Community College	Associate	Mesa	15,772	1,988	819
Paradise Valley Community College	Bachelor's	Phoenix	5,676	823	3
Phoenix College	Associate	Phoenix	9,649	1,357	23
Refrigeration School	Associate	Phoenix	1,006	793	705
Rio Salado College	Bachelor's	Tempe	17,078	1,578	21
Scottsdale Community College	Associate	Scottsdale	7,065	433	9
South Mountain Community College	Associate	Phoenix	3,706	879	2
Universal Technical Institute of Arizona	Associate	Avondale	2,630	1,621	1,621
Western Maricopa Education Center	<4-yr Certificate	Glendale	223	131	94
Total	-	-	110,420	18,487	4,825

Labor Analysis

Labor Pool

The table below shows employment for the following standard manufacturing occupations in the selected metros.

Occupation	Phoenix	Dallas	Las Vegas	Reno	Riverside	Salt Lake City
General and Operations Managers	69,086	135,435	31,006	8,090	21,640	29,901
Laborers and Freight, Stock, and Material Movers, Hand	52,697	80,384	34,146	9,343	79,701	14,373
Maintenance and Repair Workers, General	24,113	41,529	12,248	3,151	14,699	7,182
Miscellaneous Assemblers and Fabricators	17,516	37,353	2,628	6,261	12,097	8,299
Shipping, Receiving, and Inventory Clerks	14,395	29,756	7,577	3,992	14,751	10,959
Industrial Truck and Tractor Operators	13,417	34,181	2,833	1,519	28,732	3,780
Inspectors, Testers, Sorters, Samplers, and Weighers	7,121	15,354	2,213	1,080	5,105	3,003
First-Line Supervisors of Production and Operating Workers	6,177	17,168	2,240	1,674	4,960	3,528
Packers and Packagers, Hand	5,982	26,184	3,582	2,159	16,890	3,113
Industrial Engineers	5,361	7,836	320	470	1,203	2,286
Welders, Cutters, Solderers, and Brazers	4,634	11,575	1,145	410	3,885	1,261
Packaging and Filling Machine Operators and Tenders	4,480	7,626	934	596	4,157	1,706
Machinists	3,971	4,255	289	336	1,823	1,221
Mechanical Engineers	3,671	4,940	462	360	1,360	1,627
Electrical Engineers	3,002	4,583	540	366	1,006	1,150
Industrial Production Managers	2,376	5,398	680	399	1,989	1,057
Production Workers, All Other	2,302	3,331	2,186	1,146	3,989	1,331
Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic	1,348	4,008	220	224	1,092	568
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	1,096	1,748	194	192	376	513
Helpers--Production Workers	1,004	7,293	550	333	2,042	588
Total	243,749	479,937	105,996	42,102	221,496	97,446

Labor Analysis

Labor Costs

The table below shows median wage for the following standard manufacturing occupations in the selected metros.

Occupation	Phoenix	Dallas	Las Vegas	Reno	Riverside	Salt Lake City
General and Operations Managers	\$94,279	\$102,075	\$84,282	\$100,713	\$104,395	\$94,338
Laborers and Freight, Stock, and Material Movers, Hand	\$39,198	\$37,673	\$37,294	\$40,587	\$46,252	\$39,482
Maintenance and Repair Workers, General	\$47,244	\$44,285	\$47,882	\$48,006	\$49,462	\$48,108
Miscellaneous Assemblers and Fabricators	\$40,548	\$36,849	\$36,982	\$40,809	\$39,250	\$37,919
Shipping, Receiving, and Inventory Clerks	\$39,743	\$38,346	\$37,253	\$43,806	\$39,257	\$36,105
Industrial Truck and Tractor Operators	\$45,440	\$43,860	\$42,536	\$49,559	\$48,227	\$46,861
Inspectors, Testers, Sorters, Samplers, and Weighers	\$48,701	\$42,344	\$46,176	\$50,484	\$45,806	\$47,400
First-Line Supervisors of Production and Operating Workers	\$67,000	\$61,932	\$55,786	\$56,357	\$64,561	\$66,761
Packers and Packagers, Hand	\$36,047	\$31,982	\$37,045	\$38,268	\$39,223	\$35,888
Industrial Engineers	\$103,043	\$102,225	\$97,594	\$108,385	\$100,891	\$103,958
Welders, Cutters, Solderers, and Brazers	\$48,596	\$48,197	\$52,707	\$54,679	\$49,928	\$55,180
Packaging and Filling Machine Operators and Tenders	\$35,315	\$35,711	\$37,086	\$41,305	\$38,346	\$38,485
Machinists	\$51,771	\$53,328	\$46,155	\$49,317	\$49,487	\$57,373
Mechanical Engineers	\$98,511	\$99,806	\$81,370	\$84,931	\$99,464	\$93,786
Electrical Engineers	\$104,467	\$97,248	\$86,466	\$97,531	\$101,540	\$104,324
Industrial Production Managers	\$125,756	\$120,576	\$96,866	\$117,115	\$107,007	\$115,023
Production Workers, All Other	\$36,957	\$38,768	\$35,755	\$39,315	\$36,307	\$38,398
Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic	\$44,807	\$39,624	\$37,565	\$44,470	\$43,471	\$43,797
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	\$37,720	\$44,506	\$34,977	\$41,142	\$41,595	\$41,515
Helpers--Production Workers	\$37,096	\$35,182	\$30,118	\$46,678	\$37,523	\$37,034

Operating Cost Analysis

The Annual Business Operating Cost Analysis has been prepared using the following parameters as an estimate for standard manufacturing operations in competitor markets. Custom analyses to match your company's operations can be provided upon request.

Assumptions

- \$5,000,000 personal property investment
- 50,000 square foot Industrial Manufacturing, Lease
- Utilities (per month):
 - Electricity: 75KW, 50,000KWh
 - Water/Wastewater: 3,000cf, 5/8 meter
- 150 jobs (Bureau of Labor Statistics equivalent occupations)

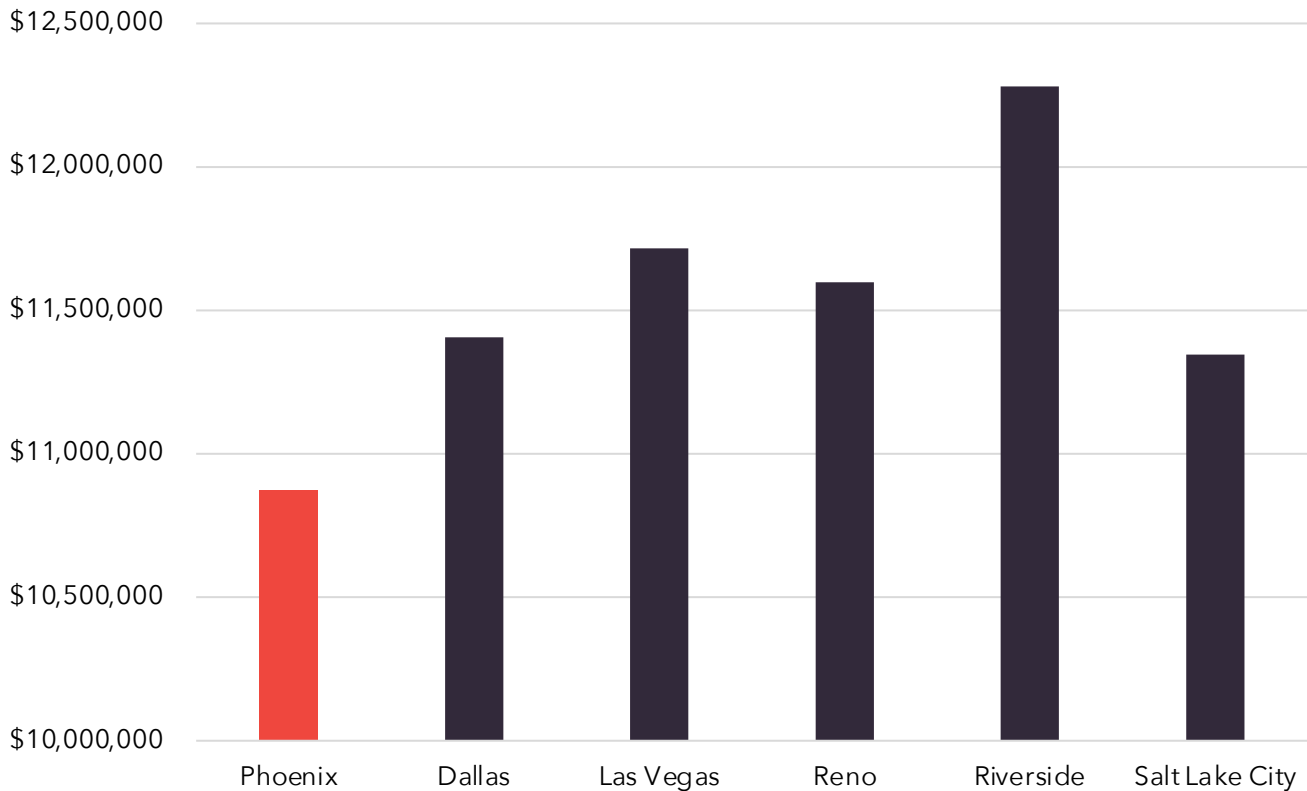
Occupations	Employment
Computer-Controlled Machine Operators	30
Laborers and Material Movers, Hand	20
Helpers-Production Workers	20
Machinists	20
Team Assemblers	20
First-Line Supervisors of Production Workers	12
Inspectors, Testers, Samplers, and Weighers	10
First-Line Supervisors of Laborers and Material Movers	5
Shipping, Receiving, and Traffic Clerks	5
Industrial Truck and Tractor Operators	5
Industrial Production Managers	2
General and Operations Managers	1
Total	150

Operating Cost Analysis

Annual Operating Cost

Metro	Payroll	Benefits	Utilities	Real Estate	Property Tax	Total Operating Cost	Index
Phoenix	\$8,262,282	\$2,007,894	\$60,842	\$540,000	\$2,299	\$10,873,318	100.0%
Dallas	\$8,680,814	\$2,114,780	\$77,844	\$419,500	\$113,229	\$11,406,166	104.9%
Las Vegas	\$8,691,077	\$2,245,110	\$77,120	\$648,000	\$54,815	\$11,716,122	107.8%
Reno	\$8,659,461	\$2,237,433	\$72,294	\$565,000	\$63,964	\$11,598,153	106.7%
Riverside	\$8,856,179	\$2,370,363	\$114,294	\$882,000	\$58,700	\$12,281,536	113.0%
Salt Lake City	\$8,502,685	\$2,272,606	\$42,378	\$475,000	\$52,685	\$11,345,354	104.3%

Total Operating Cost by Region



Operating Cost Analysis

Arizona Tax Environment vs. Competitor Markets

Arizona has a very competitive tax and mandated benefits environment compared to peer markets.

Metro	Sales Tax Rate	Corporate Income		Inventory Tax	Unemployment Insurance			Workers Comp. (Rate per \$100 Payroll)
		Tax Rate	Bases		Rate (as % of Payroll)	Wage Base	Max. Weekly Benefit	
Phoenix	8.60%	4.90%	Net Income	No	2.00%	\$8,000	\$320	\$0.87
Dallas	8.25%	0.75%	Taxable Margin	Yes	2.70%	\$9,000	\$577	\$0.88
Las Vegas	8.38%	1.17%	Payroll	No	2.95%	\$40,600	\$585	\$1.00
Reno	8.27%	1.17%	Payroll	No	2.95%	\$40,600	\$585	\$1.00
Riverside	8.75%	8.84%	Net Income	No	3.40%	\$7,000	\$450	\$2.26
Salt Lake City	7.75%	4.85%	Net Income	No	3.80%	\$47,000	\$746	\$0.86

Source: Applied Economics Metrocomp Tool, July 2024

Industrial Market Rates

The table below provides the market rates for leasing industrial buildings within Greater Phoenix and competitor markets.

Metro	Market Rent/ SF	Index
Phoenix	\$1.13	100.0%
Dallas	\$0.81	71.7%
Las Vegas	\$1.19	105.3%
Reno	\$0.76	67.3%
Riverside (Inland Empire)	\$1.15	101.8%
Salt Lake City	\$0.91	80.5%

Source: CoStar 2024 Q2 Industrial Market Reports

Statutory Incentives

Statutory Incentives

Even with the highly competitive tax environment in Greater Phoenix and Arizona, there are several tax incentives that can be utilized to mitigate operating costs. Some of the most relevant to the manufacturing industry are listed below. Please note that this is not a comprehensive list of all incentives available within the state of Arizona. Additionally, it should be noted that this document is only a guide for potential incentives. Actual incentives will depend on actual project parameters and varying program qualifications and requirements as determined by the Arizona Commerce Authority.

Quality Jobs Tax Credit

Quality jobs provides tax credits to employers creating a minimum number of net new quality jobs and making a minimum capital investment in Arizona. The Quality Jobs Tax Credit offers up to \$9,000 of Arizona income or premium tax credits over a three-year period for each net new quality job. The tax credit is equal to \$3,000 per qualified employment position, employed for each full taxable year of continuous employment for three years. If the allowable tax credit exceeds the income or premium tax liability, any unused amount may be carried forward for up to five consecutive taxable years. Employers must cover 65% of employee health insurance premium costs. Additional program qualifications are listed below.

\$9K

\$9,000 corporate income
tax credits per job
(\$3,000/employee/year)

10K

Capped at 10,000
jobs per year

65%

Employer must offer to pay at
least 65% of employee health
insurance premium

Urban

Min. New Jobs	County Median Wage	Maricopa	Min. Capex
25	100%	\$46,331	\$5,000,000
25	125%	\$57,914	\$2,000,000
25	150%	\$69,497	\$1,000,000
25	200%	\$92,662	\$500,000

Rural

Min. New Jobs	County Median Wage	Pinal	Min. Capex
5	100%	\$43,680	\$1,000,000
5	125%	\$54,600	\$500,000
5	150%	\$65,520	\$100,000

Statutory Incentives

Qualified Facilities Refundable Tax Credit

- Targets manufacturing facilities, including those focusing on research and development or headquarters locations
- Offers refundable income tax credit equal to the lesser of:
 - 10% of the qualifying capital investment, or
 - \$20,000 per net new full-time employment position at the facility, or
 - \$30,000,000 per taxpayer
- Requires annual wages of greater than 125% of the state median wage for production occupations in urban areas (\$55,744); 100% in rural areas (\$44,595)
- At least 65% of benefits package covered by employer
- Minimum investment of \$250,000

Military Reuse Zones (MRZ)

- Established in 1992 to minimize the impact of military base closures, both Arizona-designated MRZs are in Greater Phoenix: Phoenix-Mesa Gateway and Goodyear Airports. Businesses located in MRZs are subject to the following benefits:
 - Transaction Privilege Tax Exemption - Exemption from transaction privilege tax on contracts for certain types of construction at an MRZ
 - Property Reclassification - Both real and personal property can be reclassified from Class 1 (16.5% assessment ratio) to Class 6 (5% assessment ratio), which may result in property tax savings of up to 72.2% for a period of five years

Foreign Trade Zones (FTZ)

- Designated areas where imports can be stored without full customs formalities
- In Arizona, property is reclassified from Class 1 to Class 6, lowering assessment ratio from 16.5% to 5%
- Property tax savings of up to 69.7%

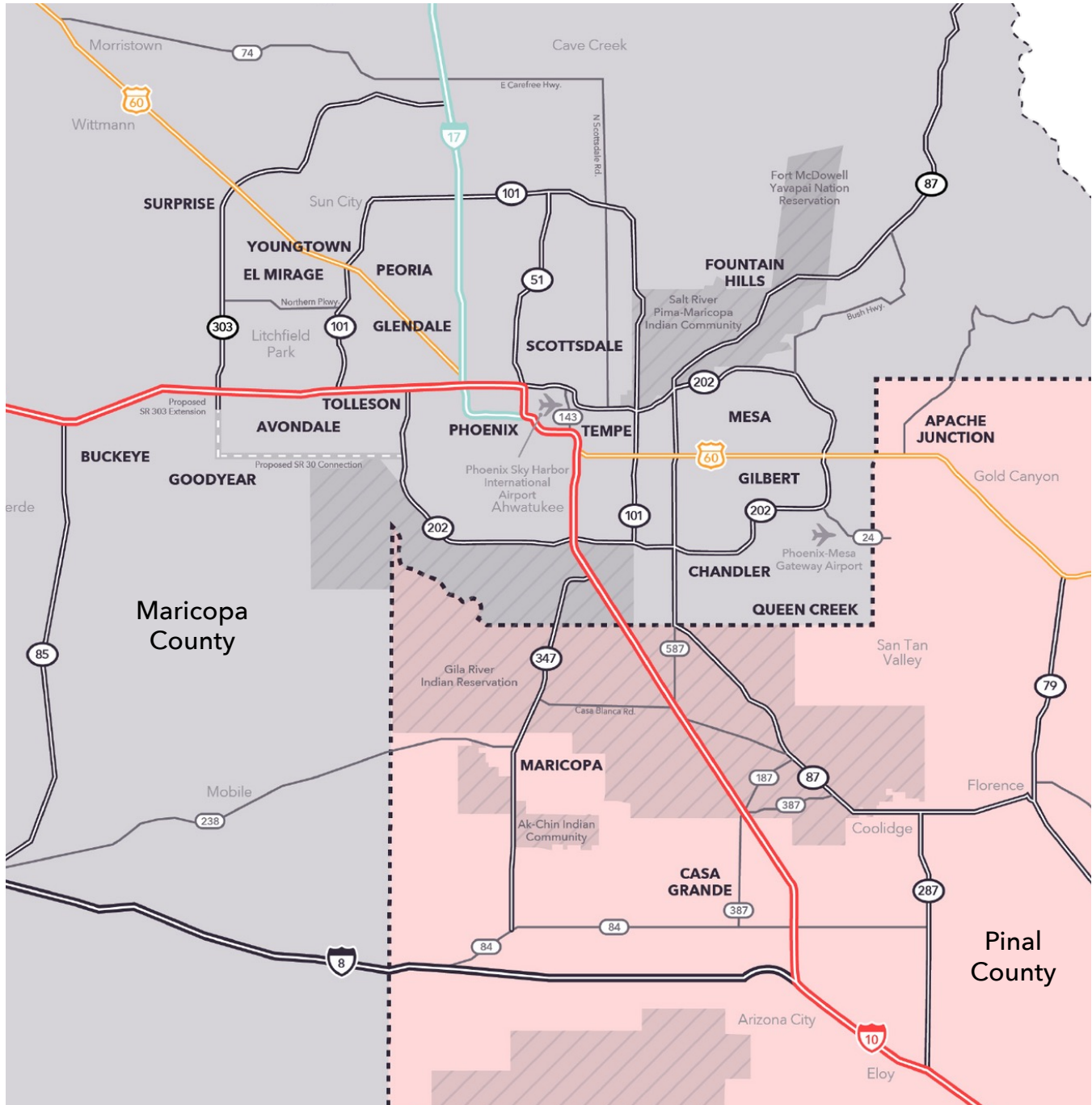
HB2822

This legislation sets the full cash value of business and agricultural personal property initially classified during or after Tax Year 2022 to 2.5% of the property's acquisition cost. Properties that can benefit from the new legislation include shopping centers, golf courses, manufacturers, and other personal property devoted to commercial or industrial use that is not classified elsewhere, agricultural property, and personal property in a FTZ or MRZ.

Key Infrastructure

Greater Phoenix Regional Highway Map

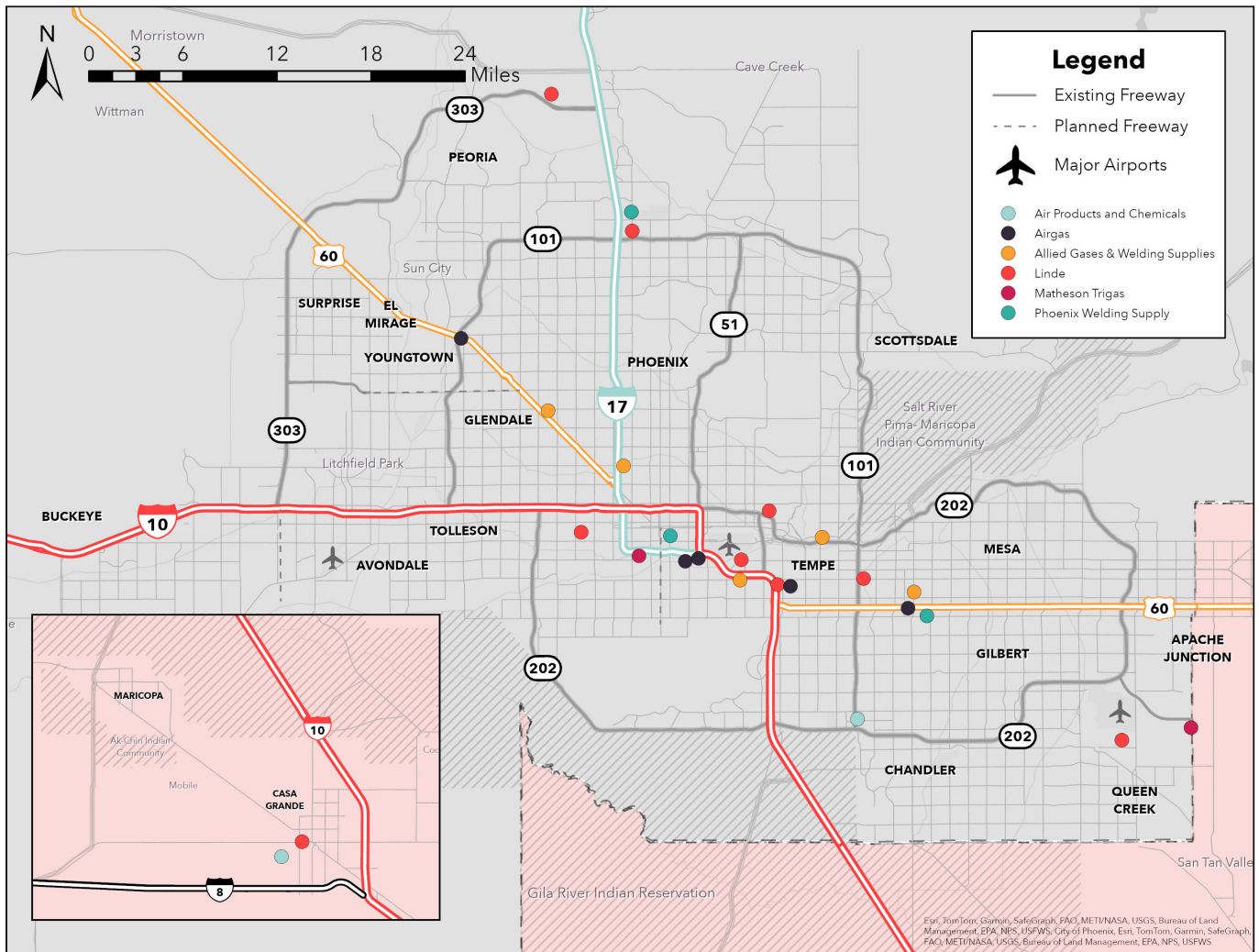
The map below displays existing and planned highway infrastructure in Greater Phoenix. The region's highways are well-planned and provide easy access to all the major submarkets in the region, including close proximity to Interstates 8 and 40 that provide seamless access to California markets.



Key Infrastructure

Industrial Gas Manufacturers

Greater Phoenix has a network of industrial gas manufacturers in the region available to meet the needs of manufacturing operations. The map below shows the location of the companies producing industrial gases.



Key Infrastructure

Greater Phoenix Market Access

Greater Phoenix has access to more than 35 million people in seven states within a one-day truck haul, including major seaports in Los Angeles and Long Beach. Firms have access to nearly the entire Southwest within a two-day haul. Hauling is made easy thanks to easy access to Interstates 8, 10, 17 and 40.

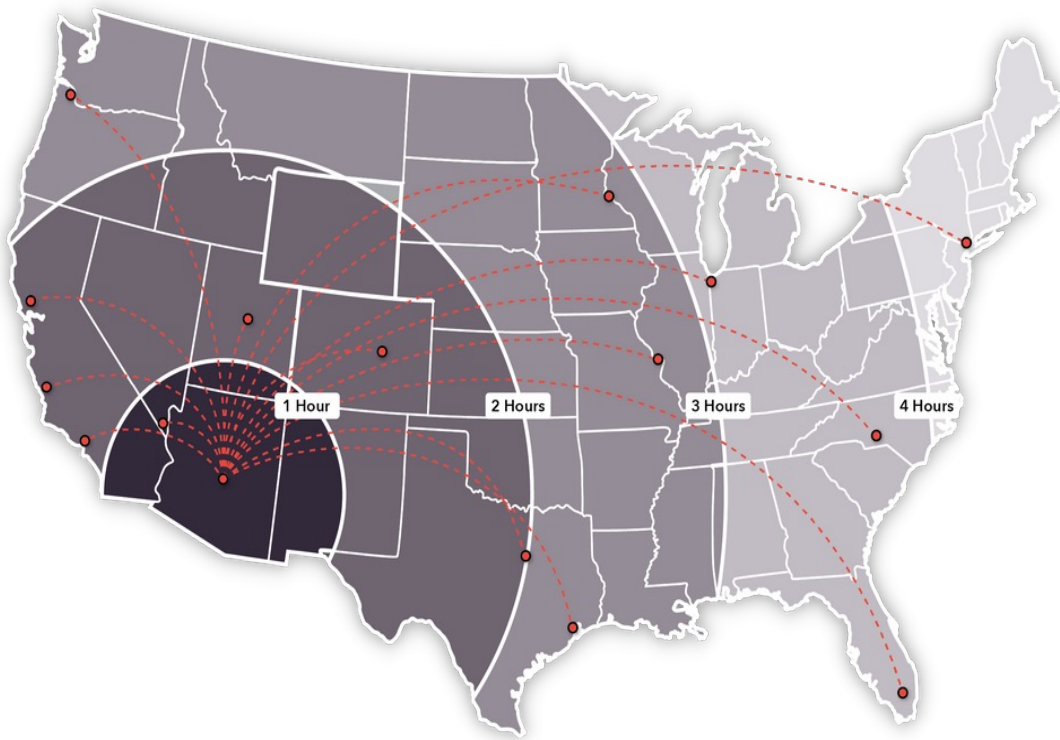


Key Infrastructure

Greater Phoenix Airport Access

Skybridge at Phoenix-Mesa Gateway Airport:

- The air logistics hub to ship high-value goods directly to consumers through a bonded facility incorporating Mexican and U.S. customs will be the first of its kind in the interior U.S. for air freight activities.
- Ideally situated within the Southwestern U.S. to not only meet growing demands of manufacturing activities in the Phoenix metropolitan area but also to serve as a direct carrier to and from consumers in Mexico and across the nation.
- The proximity to Arizona State University's Polytechnic Campus creates opportunities for partnerships to attract and retain workforce talent within the airport.



Phoenix Sky Harbor International Airport (PHX):

- 48.6 million passengers in 2023
- 454,665 landings and takeoffs in 2023
- Over 1,000 tons of cargo handled daily

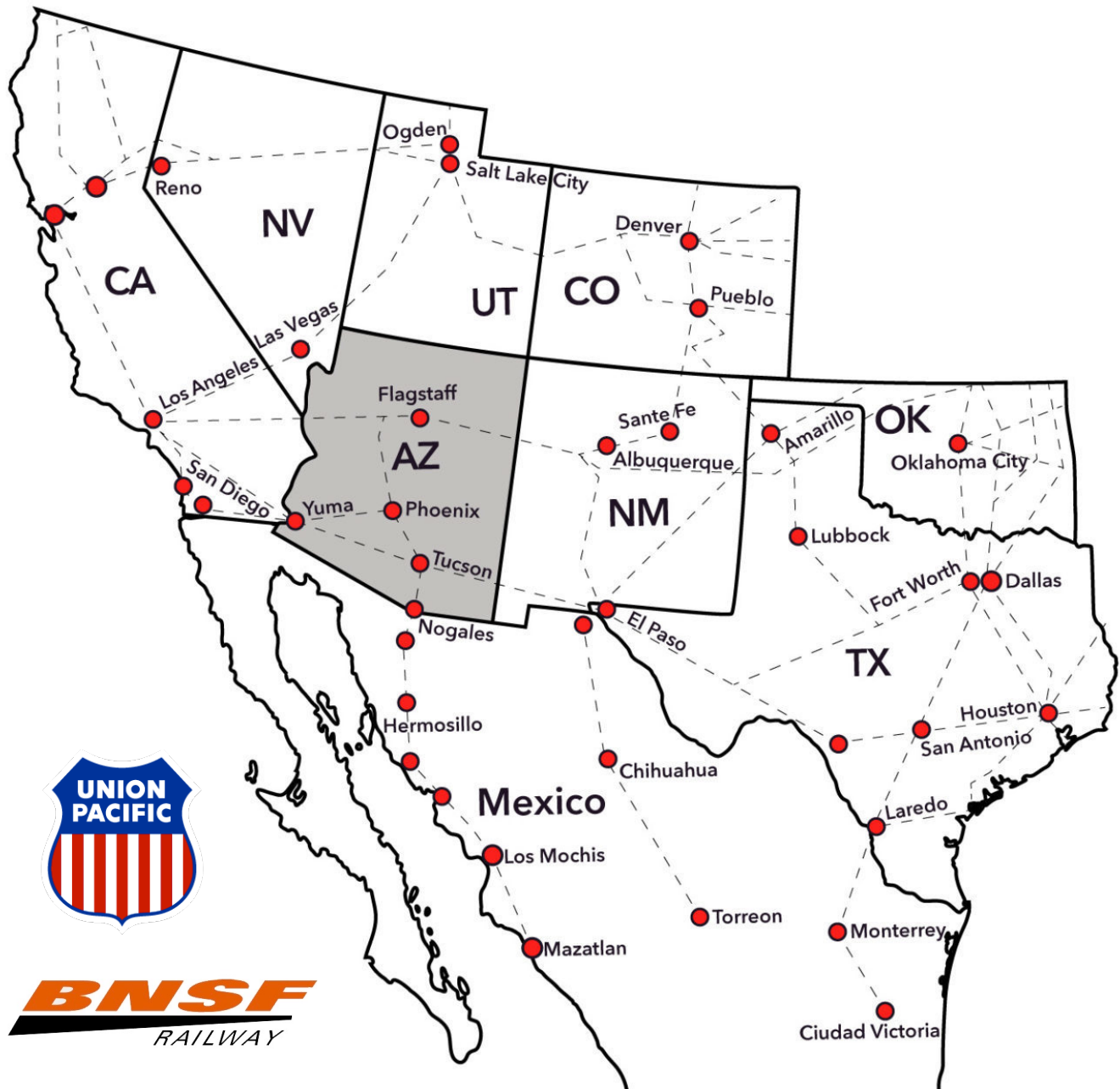
Cargo Community at PHX:

- | | |
|---------------------|-----------------------------------|
| • ABX | • Southwest Airlines |
| • American Airlines | • Swissport Cargo |
| • DHL | • UPS |
| • FedEx | • West Air Cargo |
| • South Air Cargo | • Worldwide Flight Services (WFS) |

Key Infrastructure

Regional Rail Access

Greater Phoenix is served by two major railroads, Union Pacific and BNSF. The map below displays all major rail lines throughout the Southwest.



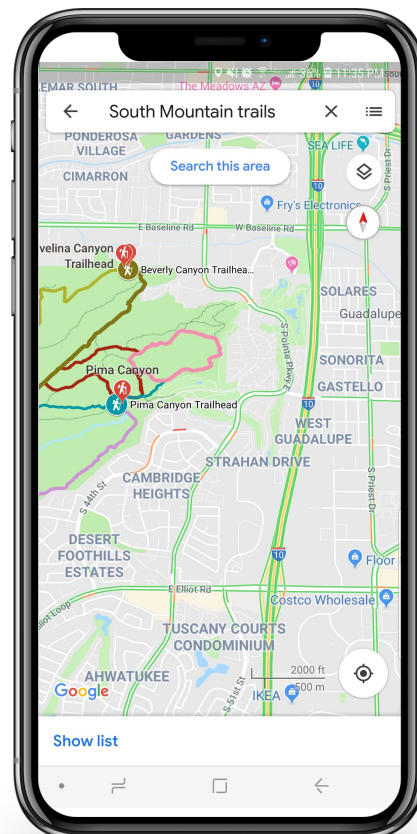


STANDARD MANUFACTURING

Quality of Life

Parks & Recreation

Greater Phoenix is home to hundreds of parks and hundreds of miles of hiking, biking and walking trails. The Greater Phoenix region is home to the largest municipal park in the United States, South Mountain Park. South Mountain Park covers more than 16,000 acres. Other large parks in the region include the White Tank Mountain Regional Park, Camelback Mountain, Piastewa Peak and the Superstition Mountains. Notable walking trails in the region include the canal system, Tempe Town Lake, the Greenbelt and Papago Park.



Quality of Life

Cost of Living

Greater Phoenix is more affordable for companies and the people that make them successful. Across all major buckets of expenses, Greater Phoenix is less expensive than many peer markets.

Metro	Cost of Living Index	Local Index
Phoenix	108.0	100.0%
Dallas	99.0	91.7%
Las Vegas	109.2	101.1%
Reno	116.1	107.5%
Riverside	128.6	119.1%
Salt Lake City	104.7	96.9%

Source: Lightcast 2024 Q1 Cost of Living Dataset

Housing

Greater Phoenix's median home value remains affordable relative to those of Reno, Riverside and Salt Lake City.

Metro	Median Home Value	Index	Median Rent	Index
Phoenix	\$461,352	100.0%	\$1,895	100.0%
Dallas	\$381,104	82.6%	\$1,811	95.6%
Las Vegas	\$427,509	92.7%	\$1,828	96.5%
Reno	\$547,757	118.7%	\$1,931	101.9%
Riverside	\$584,710	126.7%	\$2,555	134.9%
Salt Lake City	\$549,373	119.1%	\$1,719	90.7%

Source: Source: Zillow Home Value Index, May 2024; Zillow Rental Index, May 2024

Rankings & Recognition

#1

Maricopa County's population size grew the most amount among all U.S. counties, according to the 2022 Census

#1

Arizona State University has been named America's Most Innovative School nine years in a row by U.S. News & World Report

#1

Sky Harbor International Airport ranked 1st in the Wall Street Journal's "Best Large U.S. Airports 2023"

#2

In 2022, Arizona ranked as the second-best state for wellness by Life Extension

#4

Greater Phoenix was ranked the fourth-strongest economy in 2022 by the Milken Institute

#5

In 2024, Arizona and Greater Phoenix ranked fifth for sustainability by Site Selection Magazine

Top 20

In 2024, Chandler, Gilbert and Scottsdale were listed in the top 20 for best cities to raise a family

Top Tier

APS and SRP rank as top business service providers by J.D. Power and Associates for satisfaction

Greater Phoenix Greater Together