Greater Phoenix Economic Council

Greater Phoenix Aerospace & Defense Ecosystem

AUGUST 2025

Reach New Heights in Greater Phoenix

A Top U.S. Hub for Aerospace & Defense

Greater Phoenix has long been a top market for the expansion and scaling of aerospace & defense (A&D) operations. From training thousands of pilots during World War II to developing cutting-edge space technologies today, the aerospace & defense industry soars in the region. Here are just a few reasons why so many top companies choose Greater Phoenix:

- Key military installations including Luke Air Force Base
- Exceptional satellite/space flight research by both private industry and academia
- Easy access to Southern Arizona's aerospace cluster, including the Yuma Proving Grounds, Tucson Spaceport and Davis-Monthan Air Force Base
- A large and skilled labor pool
- Collaborative universities producing top talent
- Supportive state leadership and public private partnerships that are dedicated to the sustained success of aerospace and defense in the region
- Competitive operating costs and a tax environment with a number of available incentives, including Military Reuse Zones
- Numerous airports with connected commercial spaces, including Phoenix Sky Harbor International Airport, Mesa Gateway Airport, Phoenix-Goodyear Airport, Deer Valley Airport, and Falcon Field

Value Proposition

Large Existing Cluster	Local Innovation	Educated Workforce	Exceptional Talent Pipeline	Competitive Operating Costs
• Composed of worldwide, market-leading A&D companies • Emerging commercial space and eVTOL sector validates market for aerospace R&D	• Home to top company HQs like Honeywell Aerospace and Axon • Universities leading the way in developing new aerospace technologies	• Highly specialized workforce with specialties in a variety of relevant fields • Variety of business operation types equates to a flexible labor pool	• Over 4,000 graduates from relevant programs • More graduates in relevant college-level programs than many peer markets, including those with larger industry clusters	• Major competitor markets are up to 23% more expensive than Greater Phoenix • A number of quality incentives to further decrease operating costs

Industry Cluster

Industry Leaders Soar In Greater Phoenix

Industry-leading firms have critical operations in Greater Phoenix. Whatever the operation type, Greater Phoenix has demonstrated that it has the ecosystem to allow both legacy and emerging aerospace & defense companies to thrive.

Honeywell Aerospace
Employees: 7,688
Operation: HQ, Manufacturing

BOEING
Employees: 4,549
Operation: Manufacturing, GSOC

NORTHROP GRUMMAN
Employees: 4,241
Operation: Innovation Systems HQ

GENERAL DYNAMICS Mission Systems
Employees: 2,565
Operation: R&D, Manufacturing

AXON
Employees: 1,271
Operation: HQ, Manufacturing

Nammo
Employees: 589
Operation: Manufacturing

Viasat
Employees: 435
Operation: HQ, Manufacturing

iridium
Employees: 428
Operation: Operations

mercury
Employees: 400
Operation: Manufacturing

Able
Employees: 365
Operation: HQ, Repair

LOCKHEED MARTIN
Employees: 350
Operation: F-35 Development

HADRIAN
Employees: 322
Operation: Manufacturing

Collins Aerospace
Employees: 321
Operation: Manufacturing

MD HELICOPTERS
Employees: 320
Operation: HQ, Manufacturing

ASCENT AVIATION SERVICES
Employees: 300
Operation: Aviation MRO

Source: MAG 2023/2024 Employer Database; GPEC Industry Knowledge

Industry Cluster Cont.

Industry Leaders Soar In Greater Phoenix

Industry-leading firms have critical operations in Greater Phoenix. Whatever the operation type, Greater Phoenix has demonstrated that it has the ecosystem to allow both legacy and emerging aerospace & defense companies to thrive.

MOOG

Employees: 300
Operation: Manufacturing

AMSAFE

Employees: 287
Operation: HQ, Manufacturing

IBM

Employees: 277
Operation: Cybersecurity

PACIFIC SCIENTIFIC ENERGETIC MATERIALS COMPANY

Employees: 270
Operation: HQ, Manufacturing

Gulfstream™ A GENERAL DYNAMICS COMPANY

Employees: 255
Operation: Aviation MRO

AOST

Employees: 250
Operation: HQ, Manufacturing

AeroGuard FLIGHT TRAINING CENTER

Employees: 200
Operation: Flight Training

GARMIN™

Employees: 199
Operation: Operations

Radius aerospace

Employees: 160
Operation: F-35 Development

AIDC USA LLC

Employees: 158
Operation: Supplier

TURBINEAERO

Employees: 152
Operation: Aviation MRO

ARMORWORKS PROTECTION IS OUR PASSION®

Employees: 151
Operation: HQ, Operations

ICE– INTER-COASTAL ELECTRONICS, LLC

Employees: 150
Operation: HQ, Manufacturing

BLUE ORIGIN

Employees: 150
Operation: Engineering

BAE SYSTEMS

Employees: 144
Operation: Manufacturing

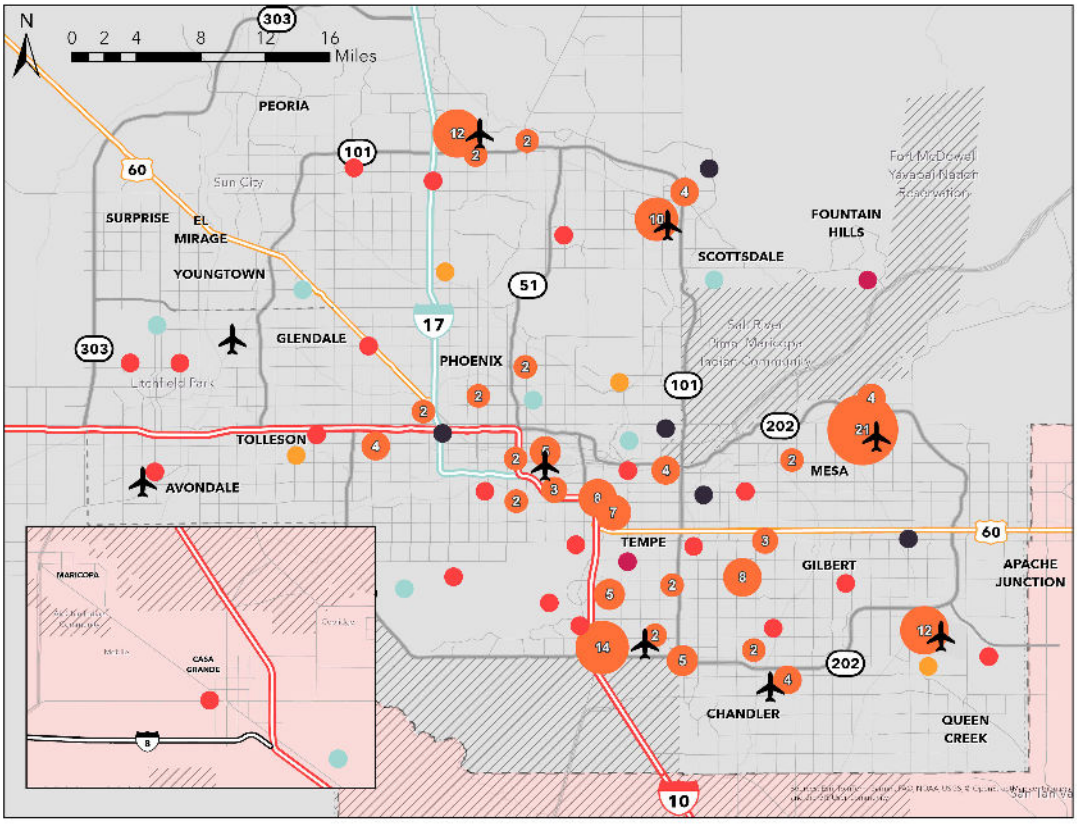
Source: MAG 2023/2024 Employer Database; GPEC Industry Knowledge

Industry Cluster

Employment concentration measures market specialization in an industry by comparing the share of that market's employment in an industry to the national proportion of said industry's employment. An industry is considered concentrated if its employment concentration is considered above 1.2.

The figures below show the magnitude and specialization of major markets' A&D workforce, as defined in the appendix. The map shows the spatial distribution of the A&D companies in the region.[1] As can be seen, Greater Phoenix's A&D companies tend to cluster around regional airports and are supported by a large and highly concentrated workforce, comparable to peer markets.

Metro Area	Jobs	Employment Concentration
Phoenix	71,191	2.08
Columbus	23,421	1.08
Dallas-Fort Worth	139,166	1.23
Los Angeles	188,395	1.58
Orlando-Space Coast	70,602	3.71
San Diego	65,924	1.28
Seattle	132,056	1.66



Legend

- Transportation Equipment Manufacturing
- Computer & Electronic Product Manufacturing
- Merchant Wholesalers, Durable Goods
- Educational Services (Flight Training)
- Fabricated Metal Product Manufacturing
- Telecommunications
- Chemical Manufacturing
- Space Research & Technology
- Primary Metal Manufacturing
- Support Activities for Transportation
- Professional, Scientific and Technical Services

Number of Features

- Low
- Medium
- High

1. Click on map to access an interactive online map of Greater Phoenix aerospace & defense companies

Source: Lightcast 2025 Q3 Dataset; MAG 2023/2025 Employer Database

Industry Innovation

Industry Innovative Highlights

A variety of Greater Phoenix companies across all aerospace and defense subsectors are developing new technologies and expanding their capabilities in innovative ways.

Boeing, a global leader in commercial and military aerospace, manufactures its Apache attack helicopter in Mesa. In 2022, the company finished construction on a new addition to its Mesa campus, which now has an advanced composite fabrication center. This facility capitalizes on the latest in digital engineering and is building the next generation of advanced combat aircraft. Boeing employs more than 4,500 people in Greater Phoenix.

Axon, a global leader in public safety defense technology, has over 1,000 employees at its Scottsdale-based headquarters. In 2025, Axon announced a $1 billion expansion of its headquarters. The mixed-use development will include a 250,000-square-foot office campus, residential units, retail spaces, and public amenities. The project is expected to generate more than 2,000 jobs and will position the site as a hub for public safety defense development innovation.

In 2025, aerospace and defense manufacturer Hadrian announced a $200-million investment for a new factory operation in Mesa. The 270,000-square-foot facility will open in 2026 and will employ 350 people. Hadrian pioneered their factories-as-a-service model that uses artificial intelligence and robotics to increase efficiency and lower costs in A&D manufacturing.

Based and headquartered in Phoenix, Swarmbotics AI develops autonomous ground-based robotic systems for defense and industrial use, with a focus on collaborative swarm behavior. Its platform uses AI-driven autonomy for tasks like perimeter security, logistics, and reconnaissance. The small company has already raised over $4 million in venture capital funding.

Emerging eVTOL Sector

Greater Phoenix and Arizona are rapidly positioning themselves at the forefront of the electric vehicle take off and landing (eVTOL) sector. At the state and local levels, government and industry leaders have collaborated on establishing the regulatory foundations and partnerships. All confirm the region is well equipped to foster a robust and engaged eVTOL sector in the region.

AZ Senate Bill 1307: Advanced Air Mobility Infrastructure Act

Passed in 2025, Senate Bill 1307 established a statewide framework for integrating eVTOL aircraft into Arizona's transportation ecosystem. The bill officially defined an eVTOL aircraft and directed the Arizona Department of Transportation (ADOT) to update its aviation plans to include infrastructure for electric aircraft.

ADOT will be required to study and collaborate with state airports to plan and establish designated landing zones and charging stations. ADOT will also assist local governments with planning resources and technical guidance and will hire a dedicated advanced air mobility officer to advise and assist. Additionally, the bill restricts cities and counties from enacting their own rules and regulations regarding advanced air mobility vehicles.

Innovation at Honeywell Aerospace

Headquartered in Phoenix, Honeywell Aerospace, a spinoff of Honeywell, employs more than 7,000 people in the region. The company's local manufacturing, R&D, and office & administrative operations complement its eVTOL aircraft technology testing in Greater Phoenix, which includes the Honeywell Advanced Air Mobility Lab.

In partnership with Near Earth Autonomy, Honeywell completed the first autonomous flight of a Leonardo AW139 helicopter in 2025. The company also partnered with Vertical Aerospace to develop cockpit displays, software, controls and other connectivity software into one smart, digital platform that will serve as the brains for eVTOL aircraft.

Honeywell Aerospace is a key supporter of higher education. In 2024, the company partnered with Arizona State University's (ASU) Fulton School of Engineering to establish an innovation hub with state-of-the-art technology for students and to host and sponsor hackathons and workshops.

Image Credit: AUVSI

High-Growth Space Sector

By leveraging long-established aerospace infrastructure, Greater Phoenix and Arizona are becoming centers of space technology growth. The GDP of the space tech industry has grown over 200% since 2014, almost three times faster than the nation. Home to a diverse and growing ecosystem, advanced R&D, and top-tier higher education, Arizona is launching the next generation of aerospace firms to new heights.

Commissions & Committees

Arizona Space Commission: Reestablished in 2024 by Gov. Hobbs, the Arizona Space Commission aims to position Arizona as a national leader in space exploration, aerospace innovation and STEM workforce development. The commission will help direct funding and establish a strategy for civil, commercial and military space initiatives.

Aerospace, Aviation, Space, & Defense (AASD) Committee: Established in 2025 by the Arizona Technology Council, this committee brings together stakeholders from industry, academia and government to accelerate technology development, influence policy, support workforce training and drive strategic partnerships.

Arizona State University NewSpace Initiative

The ASU NewSpace Initiative enables the discovery of research avenues, partnerships and opportunities for space exploration between ASU, government and commercial space companies.

At ASU, the study of space, planets and the origins of life involves expertise spread across academic units including the School of Earth and Space Exploration (SESE) and the School of Life Sciences (SoLS). These schools leverage a strong research environment and make available multidisciplinary faculty ranging from astronomers and physicists to geologists and biologists.

Image Credit: Vector Space Systems

High-Growth Space Sector

Notable Space Sector Companies

Greater Phoenix and Arizona at-large are rapidly becoming centers of growth in space technology through leveraging the long-established aerospace infrastructure. Below are some notable space sector companies that are advancing and innovating throughout the region.

Blue Origin

- Blue Origin's Phoenix engineering hub supports mission design, engineering, and supply chain operations for the entire company
- It recently partnered with ASU to support research and outreach for the development of its Orbital Reef commercial space station

KinetX

- KinetX develops and engineer's spacecraft navigation systems and other advanced software and hardware elements
- Its facility in Tempe is the first private firm to guide interplanetary spacecraft from Earth, including NASA mission New Horizons

Northrop Grumman

- Northrop Gumman's recently expanded Gilbert facility includes the development and manufacturing of NASA and NOAA's Earth observation satellites
- Its recently expanded Chandler facility supports engineering and operations for its Arizona locations

Iridium

- Iridium's Primary Gateway facility in Tempe is the mission base helping navigate and communicate with its 66-satellite constellation
- The Chandler Technical Support Center tests software and hardware in a lab environment before it is deployed on satellites

Virgin Galactic

- In 2025, Virgin Galactic announced expansion into Arizona with a Mesa facility that will conduct final assembly for its next-generation Delta spaceships

Testing Sites

Home to Major Testing Sites

Greater Phoenix and Arizona are home to ten military installations, the six major active-duty installations, including Davis-Monthan Air Force Base, Fort Huachuca, Luke Air Force Base, Marine Corps Air Station - Yuma, Yuma Proving Grounds, and U.S. Naval Observatory – Flagstaff, and four principal Arizona National Guard operations including Arizona Army National Guard, Western Army Aviation Training Site at Silverbell Army Heliport, 161st Air Refueling Wing, and the 162nd Wing.

Fort Huachuca

- U.S. Army's Intelligence Center & 9th Army Signal Enterprise Command and major military base
- Largest UAS training facility in the world

Yuma Proving Grounds

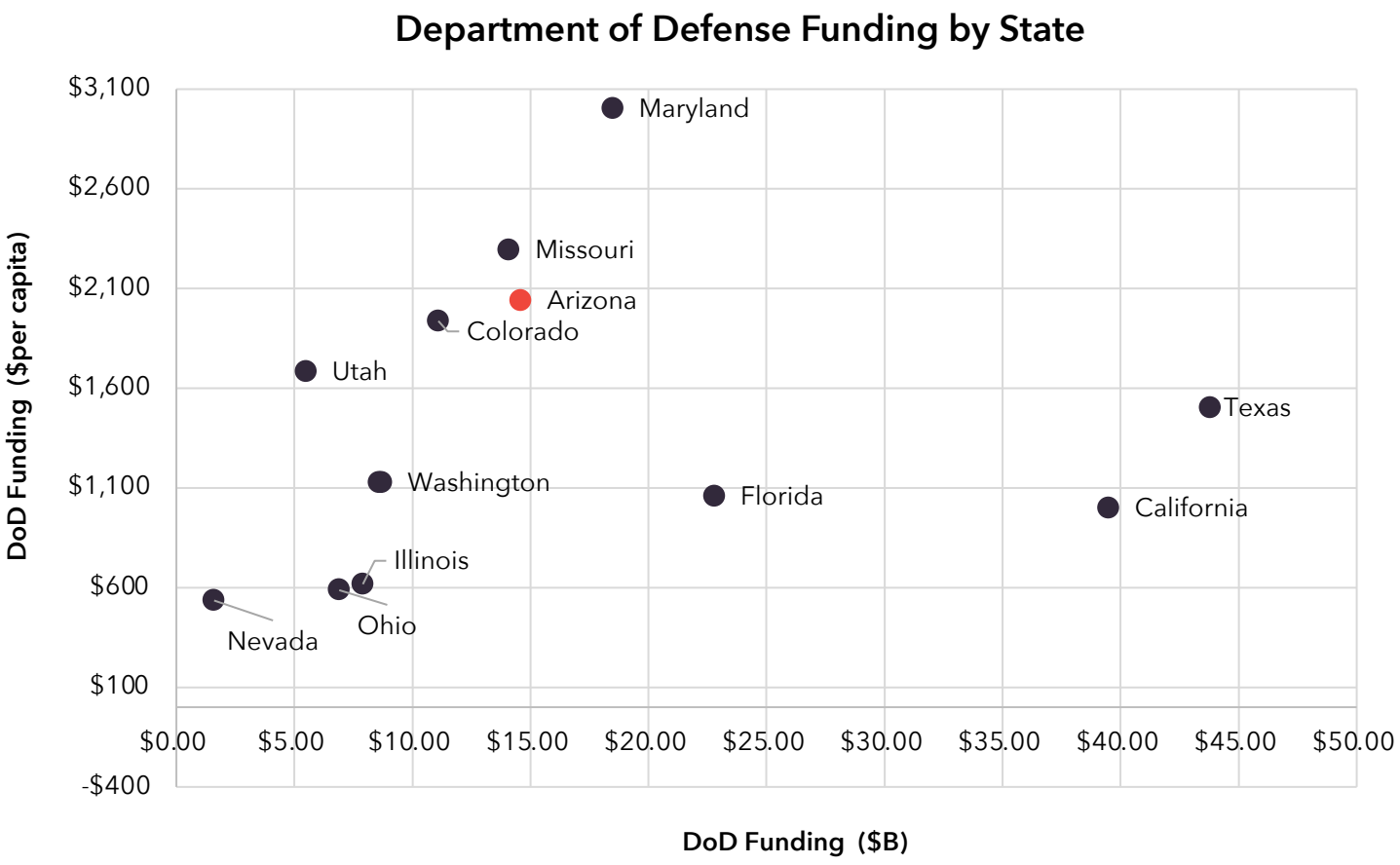
- U.S. Army's Premier Test Center conducting developmental equipment testing
- The overarching entity responsible for three testing sites in Arizona, Colorado and South America

DoD Funding

DoD Funding by State

Department of Defense (DoD) funding continues to grow in Arizona which received $14.6 billion from the DoD throughout 2024. While this is lower than many comparable states, when calculating the funding received per capita, Arizona is the leading state across all three listed years and ranked number 11 overall. This shows that the Aerospace & Defense industry continues to receive funding and interest from the federal government and specifically the Department of Defense which spends more here per capita than competitor states.

State	2018 DoD Funding (Per Capita)	2021 DoD Funding (Per Capita)	2024 DoD Funding (Per Capita)
Arizona	$12.3B ($1,714)	$11.1B ($1,552)	$14.6B ($2,039)
Ohio	$5.2B ($444)	$5.3B ($448)	$6.9B ($587)
Texas	$42.1B ($1,444)	$34.2B ($1,174)	$43.8B ($1,502)
California	$36.5B ($900)	$33.0B ($885)	$39.5B ($999)
Florida	$15.6B ($723)	$17.7B ($824)	$22.8B ($1,057)
Washington	$9.4B ($1,223)	$10.1B ($1,317)	$8.7B ($1,125)



Source: USASpendiing.gov

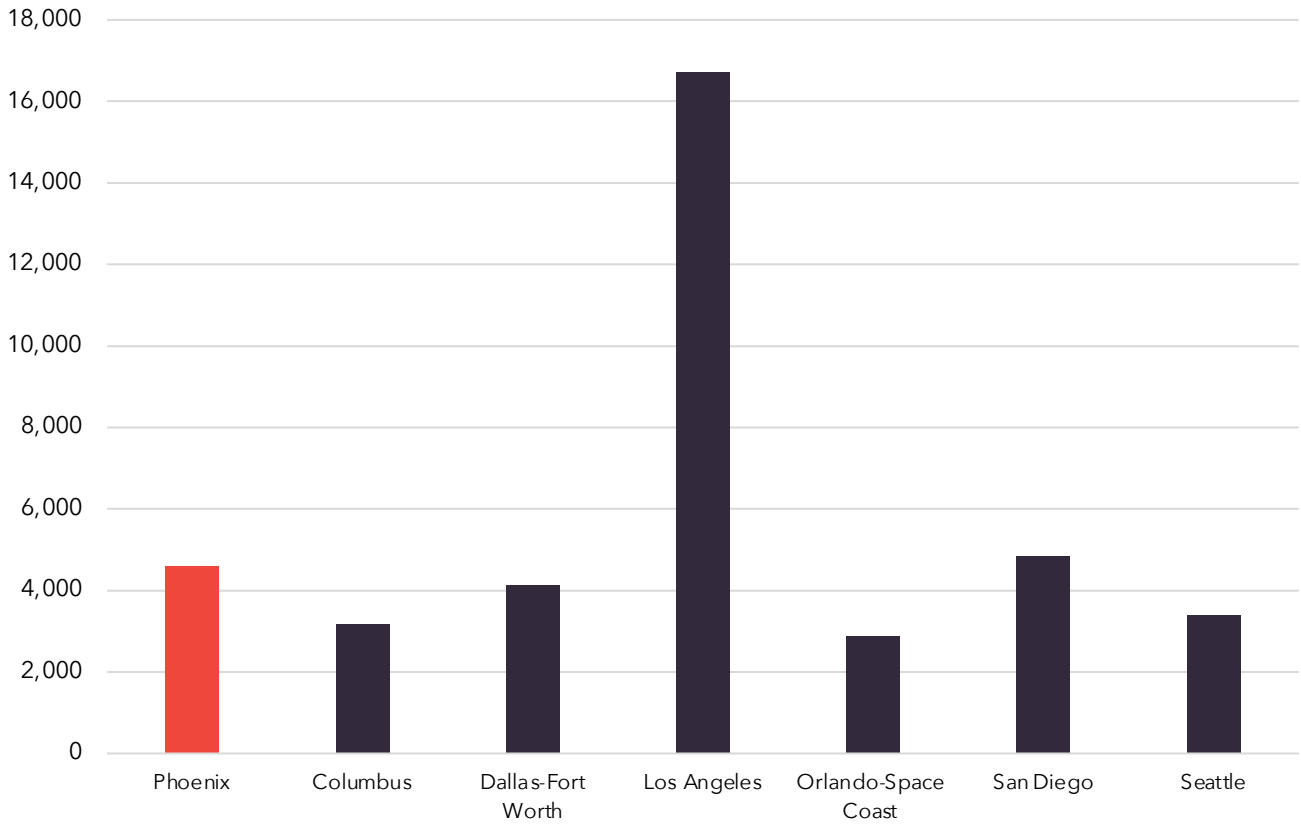
Talent Pipeline

Greater Phoenix Talent Pipeline

Below are total numbers of non-distance program completions at Greater Phoenix colleges and universities for programs relevant to aerospace & defense. The region produced over 4,000 graduates in these fields during the 2022 to 2023 school year, up 26% from the 2017 to 2018 school year. Comparison data for peer markets has been provided below.

Certificate	Associate	Bachelor	Master	Doctor
861	136	1,813	1,603	178

Total Completions Awarded by Metro



Source: Lightcast 2025 Q3 Dataset

Talent Pipeline

Arizona State University (ASU)

As a top research university and certified to build sensitive aerospace and defense instruments, ASU is among only a handful of universities with the capacity to build space-ready hardware for NASA. ASU is currently involved in 21 NASA missions, partnered with Intuitive Machines on a lunar vehicle exploring the lunar south pole, and has seen an 81% increase in DoD-sponsored projects over the last six years, which includes more than 250+ active projects and a partnership with the U.S. Space Force.

ASU has one of the largest engineering programs in the country, with relevant aerospace & defense programs both on its main Tempe campus and its Polytechnic campus near Mesa Gateway Airport. These programs include:

Polytechnic Campus

- Aeronautical Management Technology (Unmanned Aerial Systems)
- Aviation
- Engineering: focus areas in electrical systems, mechanical engineering systems, manufacturing engineering

Tempe Campus

- Aerospace Engineering: focus areas in aeronautics, astronautics and autonomous vehicle systems
- Electrical Engineering
- Industrial Engineering
- Mechanical Engineering
- Software Engineering

University	Type	City	2023 Engineering Enrollment	2023 A&D Graduates	2023 Total Graduates
Arizona State University	4-yr Public	Tempe	31,752	4,591	21,683

Source: Lightcast 2025 Q3 Dataset; Arizona State University
Photo credit: Arizona State University

Talent Pipeline

University of Arizona (U of A)

U of A is a leader in aerospace, space and engineering with an annual expenditure of $5.5 million in those areas. It is the only place in the world capable of building mirrors for the Giant Magellan Telescope, one of a handful of universities with the capacity to build space-ready hardware for NASA and is a leader in hypersonic research. The Space4 Center is focused on safeguarding the Earth-Moon corridor while the Space and National Security Institute is a hub for advancing Arizona's and America's space leadership.

U of A is the No. 4-ranked university in the world for space science, according to U.S. News and World Report's 2024 college rankings. It offers a wide variety of aerospace & defense degree programs including:

Tucson Campus

- Aerospace Engineering
- Mechanical Engineering
- Physics and Space Sciences, which includes access to the university's Lunar and Planetary Laboratory (LPL), which was integral to the Phoenix Mars Mission and OSIRIS-Rex.

University	Type	City	2023 Engineering Enrollment	2023 A&D Graduates	2023 Total Graduates
University of Arizona	4-yr Public	Tucson	4,000+	617	10,963

Source: Lightcast 2025 Q3 Dataset; University of Arizona
Photo credit: University of Arizona

Talent Pipeline

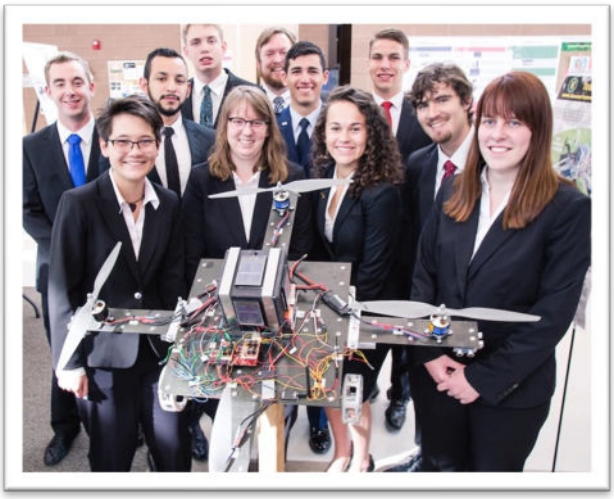
Embry-Riddle Aeronautical University

Embry-Riddle Aeronautical University, located in Prescott, Arizona, is a world leader in aerospace education. The Undergraduate Research Institute promotes aerospace research and is part of the Arizona Space Grant program. The campus is also home to the Rocket Development Lab, which has three test cells capable of studying and testing rocket performance. The university's focus on the skies prepares its students to be valuable contributors in both aerospace & defense industry sectors.

Embry-Riddle offers a wide variety of degree programs in areas that are relevant to aerospace & defense and its Engineering programs at its Prescott campus are ranked #1 in the nation among undergraduate institutions by U.S. News and World Report for 2024. Related programs include:

Prescott Campus

- Aerospace Engineering, which equips students with skills to solve even the most complex challenges in design, propulsion and systems for aircraft and/or supercraft
- Aeronautical Sciences equips graduates with extensive hands-on flight training preparing them for leadership roles as pilots across commercial, corporate, and military aviation.
- Unmanned Aircraft Systems, trains students on both the practical use of unmanned aircraft as well as in the analysis of data.



University	Type	City	2023 Engineering Enrollment	2023 A&D Graduates	2023 Total Graduates
Embry-Riddle Aeronautical University	4-yr Private	Prescott	1,191	425	626

Source: Lightcast 2025 Q3 Dataset; Embry-Riddle Aeronautical University
Photo credit: Embry-Riddle Aeronautical University

Talent Pipeline

Maricopa Community Colleges (MCCCD)

Maricopa Community Colleges propels the aerospace and defense industry forward in Greater Phoenix through specialized programs at its 10 colleges and partnerships with industry leaders like Boeing, Intel and Honeywell. MCCCD's meaningful collaborations establish a strong link between academic training and industry needs, marking the district as a significant contributor to Arizona's robust aerospace and defense sectors.

MCCCD offers a wide variety of degree programs in areas relevant to aerospace and defense. These programs include:

Chandler-Gilbert Campus

- Aircraft Maintenance Technology
- Airway Science Technology
- Cyber Engineering
- Cybersecurity
- Unmanned Aircraft Systems

Industry Partnerships

- Boeing Workforce Pipeline: Provides hands-on aerospace skill development through Aviation Sheetmetal, Cable Harness Wiring and Composites Technician Boot Camps. The training pathways align with industry demands for technical personnel.

University	Type	2023 Total Enrollment	2023 A&D Graduates	2023 Total Graduates
Maricopa Community Colleges	2 & 4-yr Public	86,523	411	20,866

Source: Lightcast 2025 Q3 Dataset; Maricopa Community Colleges
Photo credit: Maricopa Community Colleges

Talent Pipeline

Additional Higher Education Leaders in Greater Phoenix

Central Arizona College

Central Arizona College (CAC) is comprised of five colleges throughout Pinal County. CAC offers more than 100 degree programs, including an associate's and certificate in Engineering and Automated Industrial Technology. CAC is also part of the Drive48 and Future48 programs, which provide hands-on training and pathways to support manufacturing in industries like A&D.

Grand Canyon University

Located in Phoenix, GCU is a private Christian university with over 200 academic programs and 25,000 on-campus students enrolled. GCU's engineering programs include electrical and mechanical engineering with an optional emphasis in aerospace.

University Of Advancing Technology

UAT enrolls more than 900 students, primarily in technology-focused programs such computer science and engineering, with a mission to educate students in innovative advanced technology.

Source: University of Phoenix, Grand Canyon University, University of Advancing Technology
Photo credit: University of Phoenix, Grand Canyon University, University of Advancing Technology

Talent Pipeline

K-12 Stem Initiatives

- Arizona State University's Fulton Schools of Engineering Education Outreach program offers engineering education programs for K-12 students. Programs include the Fulton Summer Academy offering STEM competency curriculum to camps, the Arizona First Lego League, and EPICS (Engineering Projects in Community Service) High.
- With the support of companies like Northrop Grumman and Honeywell, Education Empowers focuses on STEAM career exploration programs for K-12 students in robotics, drones, AI, coding, 3D printing, CAD, soldering, and sustainability.
- YWCA Metropolitan Phoenix offer grants to qualifying nonprofits, and schools to specifically address interest and accessibility to STEAM careers for women and people of color.

Several major local employers in the cluster have supported K-12 initiatives in Arizona, including:

- Honeywell Aerospace forged a partnership with Mesa Public Schools and launched a workforce and education program to improve STEM education and strengthen connection between industry and classroom experiences, curriculum and instruction. Honeywell Aerospace also partnered with the Phoenix Mercury for a summer STEM camp in 2025 and a STEM Fest in 2026.

- General Dynamics' Mission Systems business line has provided the eCrew program to STEM-interested students participating in the Scottsdale and Gilbert Boys and Girls Club branches since 2010. eCrew is a 12-week intensive STEM learning program with hands-on projects.

This is a sample of the many ways local A&D operations are involved in building the Greater Pheonix talent pipeline.

Source: Respective Companies and Foundations
Photo credit: Luke Air Force Base

Accelerators & Partnerships

Additional A&D accelerators and workforce-focused programs

Southwest Mission Acceleration Center (SWMAC)

The Southwest Mission Accelerator Center is the premier national security innovation ecosystem in the southwestern United States. SWMAC brings together academic institutions, the venture capital community, and non-traditional technology companies to collaborate with the government to solve formidable national security challenges facing the U.S.

SWMAC serves as a strategic conduit to unite experts and resources and deliver mission-critical technologies swiftly and efficiently. Its mission includes helping small aerospace and defense companies with:

- Accessing funding and resources
- Scaling and integrating with existing technologies, systems and standards
- Navigate government bureaucracy and regulation

Arizona Office of Defense Innovation (ODI)

In July 2025, the Arizona Commerce Authority (ACA) and SWMAC partnered to launch the Arizona Office of Defense Innovation. This new public-private entity will work to expand Arizona's aerospace and defense leadership.

The three primary focus areas of this partnership include core aerospace and defense company attraction and retainment; encouraging development of technology that has applications in both the defense and civilian spaces; and expanding Department of Defense missions within Arizona.

Future48 Workforce Accelerator

In 2025, a new A&D-specific workforce accelerator was announced under the Future48 branding to take shape at Chandler-Gilbert Community College. The accelerator will provide hands-on training to prepare students for in-demand careers in aerospace and defense manufacturing. Partners include the Office of Governor Hobbs, the ACA, the MCCCD and Chandler-Gilbert Community College, and industry partners Boeing and Honeywell.

Labor Analysis

Labor Pool

The labor pool for relevant occupations in all industries has been provided below. It should be noted that several of these markets have large information technology sectors, which explains disproportionately larger counts of software developers and computer systems analysts.

Occupation	Phoenix	Columbus	Dallas-Fort Worth	Los Angeles	Orlando/ Space Coast	San Diego	Seattle
Software Developers	26,720	10,435	65,066	54,856	18,491	21,155	73,303
Miscellaneous Assemblers and Fabricators	16,947	13,407	32,126	38,536	7,658	9,865	9,341
Computer Systems Analysts	8,310	3,827	17,550	15,549	5,713	5,045	13,824
Inspectors, Testers, Sorters, Samplers, and Weighers	6,889	4,043	15,335	22,689	3,730	5,705	7,807
First-Line Supervisors of Production and Operating Workers	6,637	3,912	17,605	19,659	4,364	4,356	7,242
Industrial Engineers	5,378	3,414	10,066	8,865	4,236	3,101	5,352
Electrical, Electronic, and Electromechanical Assemblers, Except Coil Winders, Tapers, and Finishers	4,449	1,962	6,243	13,906	2,296	4,553	4,630
Machinists	4,016	1,129	4,451	8,968	1,343	2,555	4,337
Aircraft Mechanics and Service Technicians	3,654	1,440	7,952	5,817	2,943	5,220	5,438
Mechanical Engineers	3,602	2,921	5,161	8,214	2,678	3,323	5,472
Architectural and Engineering Managers	3,525	1,885	6,291	8,743	2,339	3,675	4,526
Logisticians	3,100	1,799	6,983	9,383	2,592	4,896	4,713
Software Quality Assurance Analysts and Testers	3,051	938	8,153	7,372	2,475	2,209	6,902
Electrical Engineers	2,947	1,110	4,562	7,849	2,480	2,225	6,540
Industrial Production Managers	2,718	1,828	5,672	8,756	1,300	2,253	3,033
Computer Numerically Controlled Tool Operators	1,498	1,428	3,710	9,442	645	1,563	1,634
Aerospace Engineers	1,225	345	3,145	6,144	1,473	809	5,431
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	577	18	2,454	883	181	429	4,468
Avionics Technicians	368	71	1,009	646	540	944	5,222
Aerospace Engineering and Operations Technologists and Technicians	183	154	204	375	800	101	439
Total	**105,794**	**56,067**	**223,740**	**256,653**	**68,278**	**83,983**	**179,655**

Source: Lightcast 2025 Q3 Dataset

Labor Analysis

Labor Costs

The table below shows the annual median wage for relevant occupations in the selected regions. Labor costs in Greater Phoenix are comparable to or less than peer markets.

Occupation	Phoenix	Columbus	Dallas-Fort Worth	Los Angeles	Orlando/ Space Coast	San Diego	Seattle
Software Developers	$129,815	$117,906	$131,982	$155,331	$125,506	$159,245	$170,478
Miscellaneous Assemblers and Fabricators	$45,632	$45,593	$38,040	$44,127	$37,392	$45,864	$48,580
Computer Systems Analysts	$102,457	$101,263	$116,405	$126,512	$102,822	$113,194	$133,121
Inspectors, Testers, Sorters, Samplers, and Weighers	$50,172	$46,770	$44,610	$49,541	$46,296	$56,118	$62,594
First-Line Supervisors of Production and Operating Workers	$74,166	$69,953	$65,099	$72,611	$67,438	$76,003	$77,592
Industrial Engineers	$110,269	$100,366	$105,231	$108,387	$102,357	$114,400	$125,794
Electrical, Electronic, and Electromechanical Assemblers, Except Coil Winders, Tapers, and Finishers	$44,626	$45,425	$40,668	$40,114	$38,945	$47,861	$53,118
Machinists	$59,278	$52,797	$57,379	$50,606	$50,203	$63,648	$73,753
Aircraft Mechanics and Service Technicians	$79,864	$71,185	$87,643	$85,435	$77,103	$85,114	$86,364
Mechanical Engineers	$102,386	$97,457	$104,620	$114,291	$103,280	$128,669	$117,975
Architectural and Engineering Managers	$186,522	$161,939	$171,313	$181,459	$172,473	$185,557	$184,481
Logisticians	$81,444	$80,266	$77,220	$82,360	$75,638	$95,534	$104,175
Software Quality Assurance Analysts and Testers	$104,016	$87,613	$103,196	$106,413	$101,145	$109,595	$132,403
Electrical Engineers	$110,091	$100,242	$104,799	$134,899	$121,565	$128,752	$135,806
Industrial Production Managers	$129,434	$107,008	$130,270	$123,464	$118,863	$131,810	$140,546
Computer Numerically Controlled Tool Operators	$48,340	$46,889	$42,860	$54,724	$43,172	$53,914	$103,842
Aerospace Engineers	$139,375	$122,209	$132,631	$143,869	$125,744	$132,330	$174,151
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	$66,962	$56,700	$84,253	$49,266	$66,824	$58,864	$94,419
Avionics Technicians	$85,950	$59,802	$79,871	$95,884	$75,398	$90,272	$108,967
Aerospace Engineering and Operations Technologists and Technicians	$62,214	$68,357	$101,097	$96,253	$74,399	$88,406	$109,346

Source: Lightcast 2025 Q3 Dataset

Operating Cost Analysis

The Annual Business Operating Cost Analysis has been prepared using the following parameters as an estimate for A&D product development in competitor markets. Component and custom analyses to match your company's operations can be provided upon request.

Assumptions

- $20,000,000 personal property investment
- 50,000 square foot Industrial Manufacturing, Lease
- Utilities (per month):
    - Electricity: 40W, 10,000KWh
    - Water/Wastewater: 3,000cf, 5/8 meter
- 150 jobs (Bureau of Labor Statistics equivalent occupations)

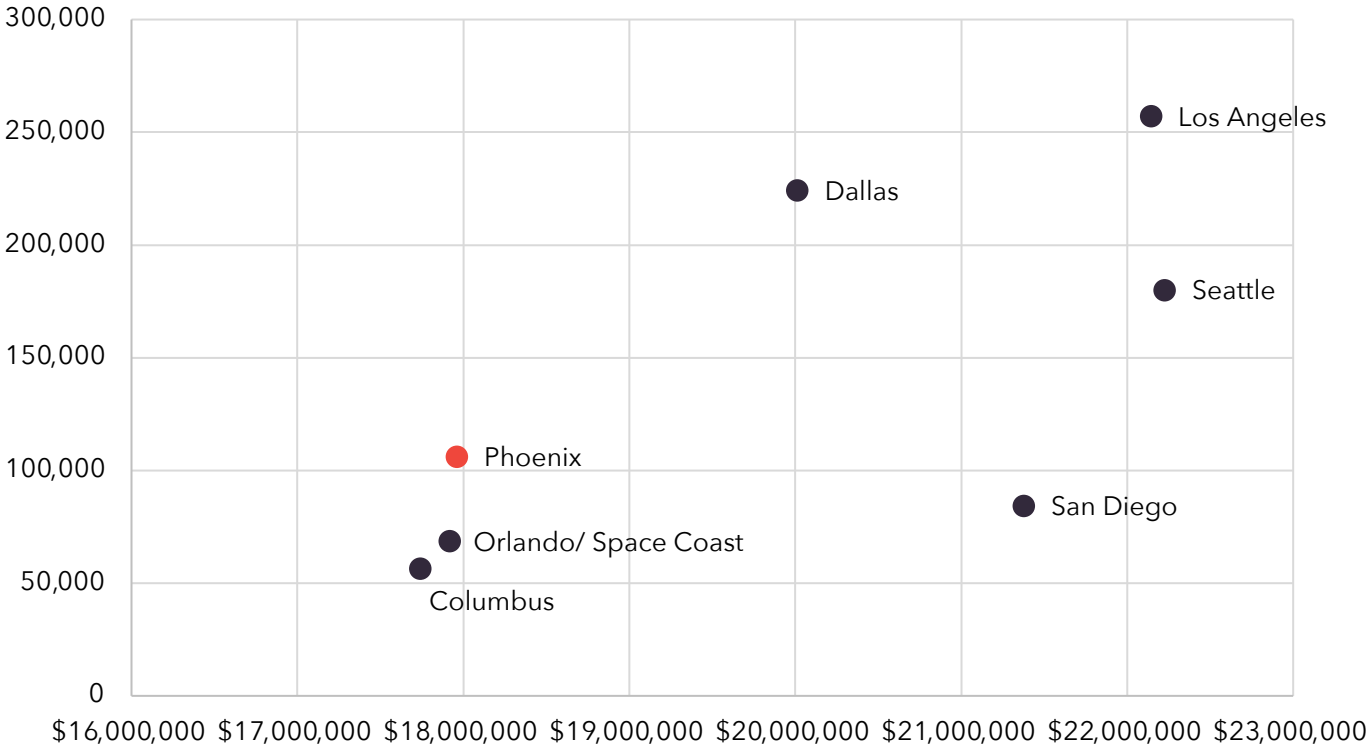
Occupations	Employment
Software Developers, Systems Software	30
Team Assemblers	20
Aircraft Mechanics and Service Technicians	20
Aerospace Engineers	20
Industrial Engineers	15
Mechanical Engineer	12
Electrical Engineers	12
First-Line Supervisors of Production Workers	10
Computer Systems Analysts	10
Industrial Production Managers	1
Total	**150**

Operating Cost Analysis

Annual Operating Cost

Metro	Employee Payroll	Fringe And Mandated Benefits	Utilities	Real Estate Payments	Property Tax	Total Operating Cost	Index
Phoenix	$14,860,660	$2,450,233	$21,133	$624,000	$9,036	$17,965,061	**100.0%**
Columbus	$14,875,111	$2,477,444	$20,920	$372,500	$0	$17,745,975	**98.8%**
Dallas-Forth Worth	$16,466,847	$2,707,463	$24,824	$359,500	$458,956	$20,017,590	**111.4%**
Los Angeles	$17,360,401	$3,627,918	$38,620	$888,000	$232,000	$22,146,938	**123.3%**
Orlando/ Space Coast	$14,644,795	$2,460,071	$16,441	$572,500	$229,190	$17,922,997	**99.8%**
San Diego	$16,717,381	$3,488,515	$66,191	$876,000	$233,400	$21,381,488	**119.0%**
Seattle	$17,992,853	$3,438,333	$21,130	$621,000	$157,957	$22,231,274	**123.7%**

Annual Operating Cost and Industry Employment*



*Employment is based on the occupation assumptions on the previous page.

Source: Applied Economics Metrocomp Tool 2025; Lightcast 2025 Q3 Dataset

Tax Environment

Arizona Tax Environment vs. Competitor Markets

Arizona has a very competitive tax and fringe/mandated benefits environment compared to other major A&D markets.

Metro	Sales Tax Rate	Corporate Income		Unemployment Insurance			Workers Comp. (Rate Per $100 Payroll)	Inventory Tax
		Tax Rate	Basis	Rate (As % Of Payroll)	Wage Base	Max. Payment		
Phoenix	8.60%	4.90%	Net Income	2.00%	$8,000	$320	$0.87	No
Columbus	7.50%	0.26%	Gross Receipts	2.70%	$9,000	$810	$0.83	No
Dallas-Forth Worth	8.25%	0.75%	Taxable Margin	2.70%	$9,000	$591	$0.88	Yes
Los Angeles	9.50%	8.84%	Net Income	3.40%	$7,000	$450	$2.26	No
Orlando/ Space Coast	6.50%	5.50%	Net Income	2.70%	$7,000	$275	$1.26	No
San Diego	7.75%	8.84%	Net Income	3.40%	$7,000	$450	$2.26	No
Seattle	10.25%	0.48%	Gross Receipts	1.26%	$68,500	$1,152	$1.31	No

Source: Applied Economics Metrocomp Tool; Tax Foundation, 2025; Various state revenue departments, 2024; Oregon Dept. of Consumer and Business Services, "Workers' Comp. Premium Rate Ranking", 2024; U.S. DOL, "Significant Provisions of State Unemployment Insurance Laws", Jan. 2024.

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 A&D 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[1]

Quality jobs provides tax credits to employers that located in Arizona prior to July 2025 and created a minimum number of net new quality jobs and made a minimum capital investment. 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%	$48,630	$5,000,000
25	125%	$60,788	$2,000,000
25	150%	$72,946	$1,000,000
25	200%	$97,261	$500,000

Rural

Min. New Jobs	County Median Wage	Pinal	Min. Capex
5	100%	$47,778	$1,000,000
5	125%	$59,722	$500,000
5	150%	$71,666	$100,000

1. Clients must have an existing presence in Arizona by June 30, 2025 to qualify for this program. "Existing presence" can be broadly defined, and GPEC will work with the client and the state to determine eligibility.

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 (if the company invests over $2B they can qualify for $30,000 per employee), or
    - $30,000,000 per taxpayer
- At least 51% of new full-time jobs must earn greater than 125% of the state median wage for production occupations in urban areas ($58,525); 100% in rural areas ($46,820)
- Offer to pay at least 65% of health insurance premiums for all net-new fulltime employees
- 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: 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% assessment ratio) to Class 6 (5% assessment ratio), which may result in property tax savings of up to 69% 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% to 5%
- Property tax savings of up to 69%
- FTZ properties are eligible to claim additional deprecation on personal property to further lower tax liability

HB2822

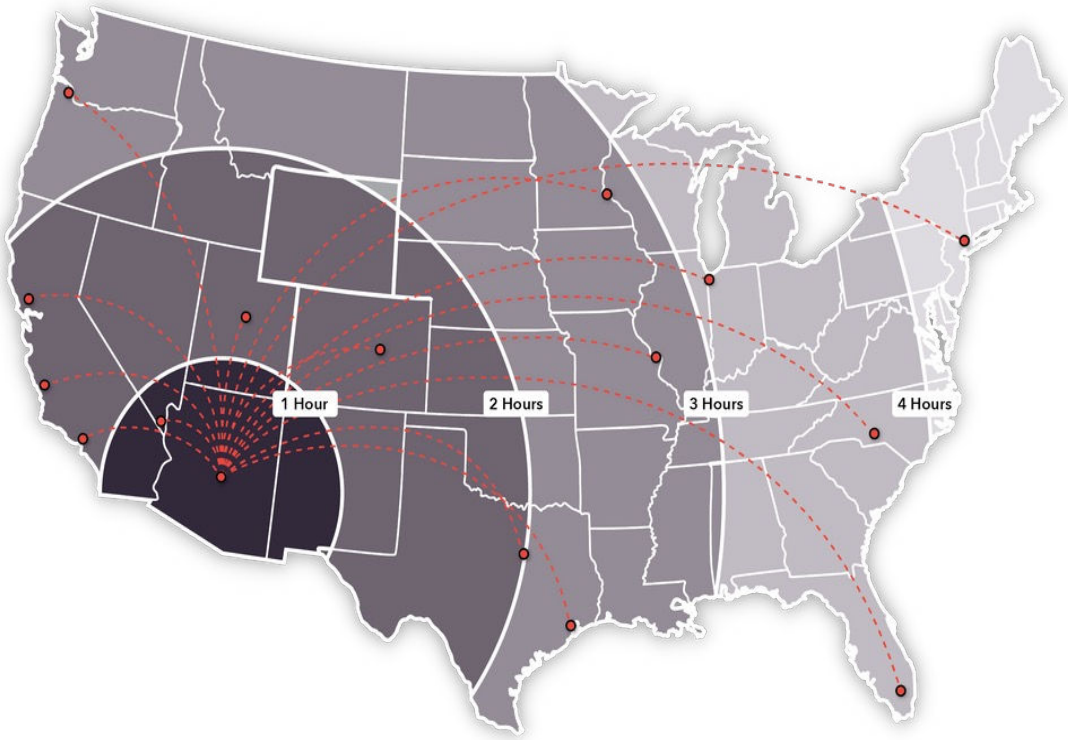
This legislation sets the full cash value of business and agricultural personal property initially classified during or after Tax Year 2022 to 2.5% of the property's acquisition cost. Properties that can benefit from the new legislation include shopping centers, golf courses, manufacturers, and other 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 Airport Access

Skybridge at Mesa Gateway Airport:

- An 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 e-commerce and airport logistics demands in the Phoenix metropolitan area but also to serve as a direct carrier to and from consumers in Mexico and across the U.S.A.
- Located near ASU's Polytechnic Campus, the proximity to the university creates opportunity for partnerships and to attract and retain workforce talent.



Phoenix Sky Harbor International Airport:

- 52.3 million passengers in 2024
- 485,000 landings and takeoffs in 2024
- Over 1,000 tons of cargo handled daily
- 24 direct international destinations

Major Cargo Carriers from Sky Harbor:

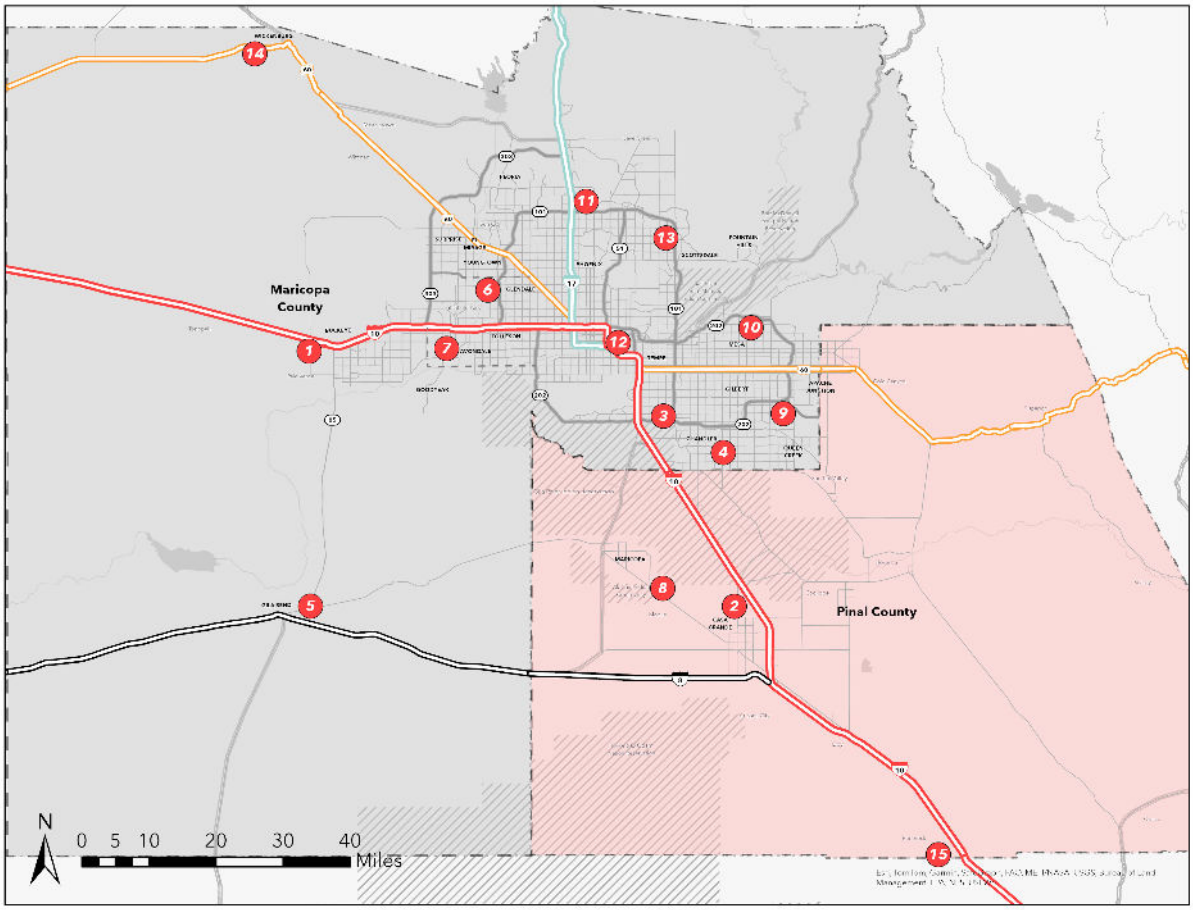
- American Airlines
- Ameriflight
- DHL
- FedEx
- Southwest Airlines
- Swissport cargo
- UPS

Key Infrastructure

Regional Airports

Greater Phoenix is home to 15 airports that offer a variety of opportunities to businesses including ample land and Military Reuse Zone* benefits.

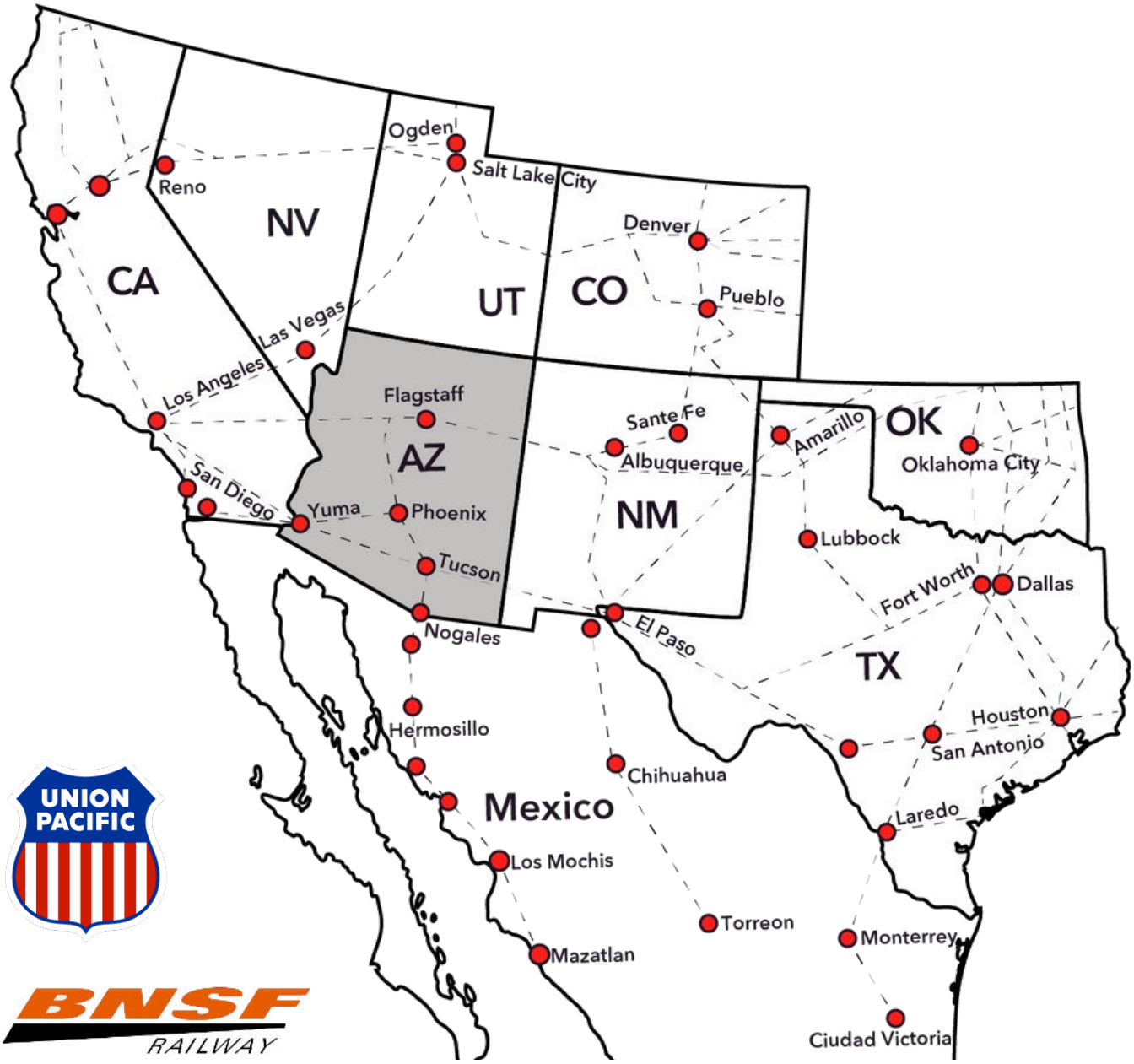
Index	Regional Airport	Index	Regional Airport
1	Buckeye Municipal Airport	9	Mesa Gateway Airport*
2	Casa Grande Municipal Airport	10	Falcon Field
3	Stellar Airpark	11	Phoenix Deer Valley Airport
4	Chandler Municipal Airport	12	Phoenix Sky Harbor Airport
5	Gila Bend Municipal Airport	13	Scottsdale Airport
6	Glendale Regional Airport	14	Wickenburg Municipal Airport
7	Goodyear Airport*	15	Pinal Airpark
8	Ak-Chin Regional Airport		



Key Infrastructure

Regional Rail Access

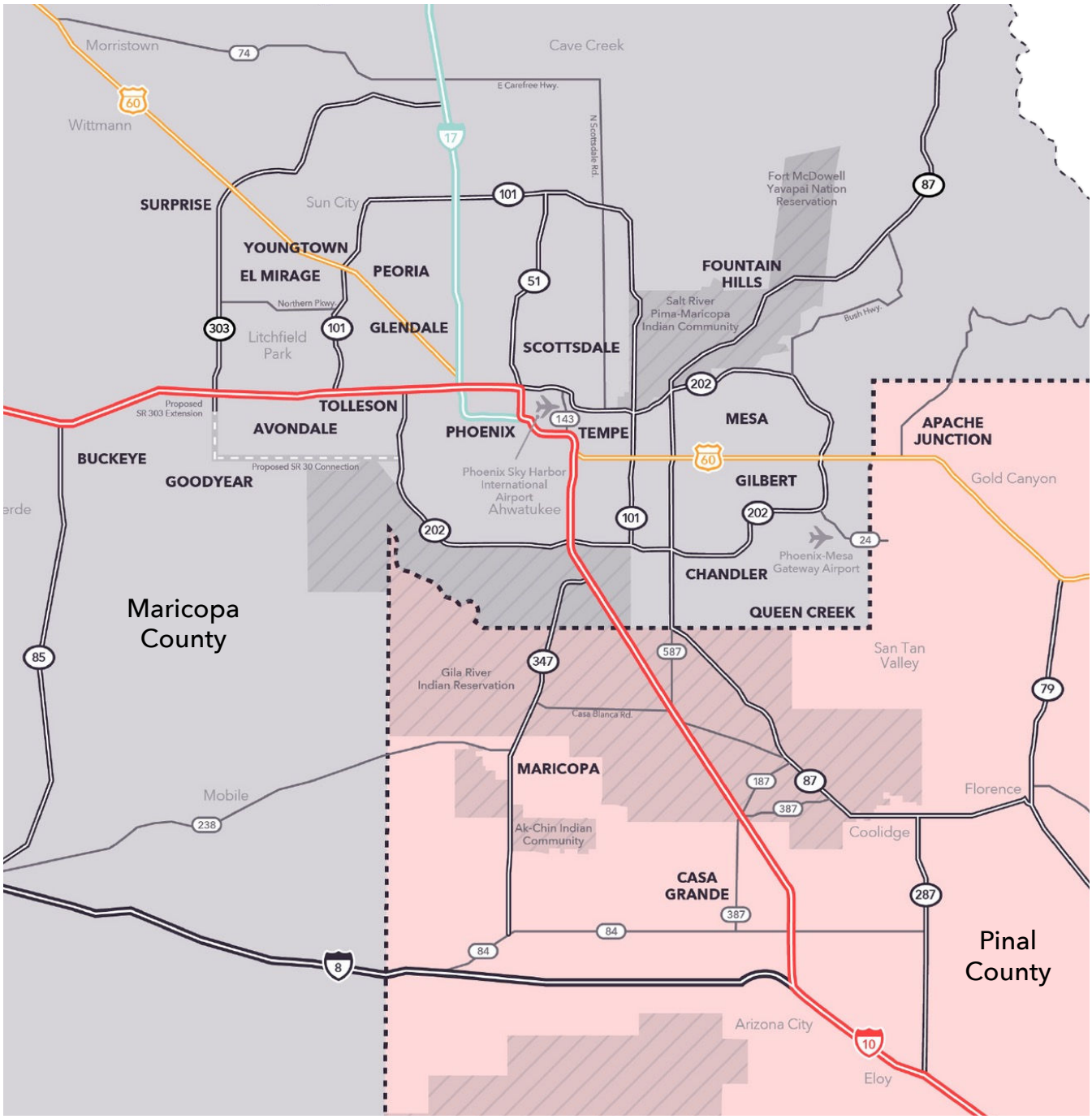
Greater Phoenix is served by two major railroads, Union Pacific and BNSF. The map below displays all major rail lines throughout the Southwest.



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. In addition, proximity to Interstates 8 and 40 mean that access to California markets is seamless.



Quality of Life

Cost of Living

Greater Phoenix is affordable for companies and the people who make them successful. The cost of living is comparable to peer regions and remains substantially less than metros along the West Coast.

Metro	Groceries	Utilities	Transportation	Health Care	Index	Local Index
Phoenix	103.4	109.4	104.1	104.9	106.8	100%
Columbus	101.4	100.2	92.7	82.1	93.1	87.2%
Dallas-Fort Worth	98.4	113.6	90.3	99.8	98.6	92.3%
Los Angeles	109.0	107.6	138.8	97.8	150.2	140.6%
Orlando/ Space Coast	104.8	98.1	99.6	76.9	92.5	86.6%
San Diego	111.7	148.8	143.1	99.3	146.3	136.9%
Seattle	111.9	102.2	136.1	124.7	142.1	133.1%

Source: C2ER 2025 Q1 Cost of Living Index

Housing

Housing prices and rental rates remains competitive to regions Orlando and substantially cheaper to regions like San Diego and Seattle.

Metro	Median Home Value	Index	Median Rent	Index
Phoenix	$456,017	100%	$1,854	100%
Columbus	$331,010	72.6%	$1,588	85.7%
Dallas-Fort Worth	$375,293	82.3%	$1,793	96.7%
Los Angeles	$972,837	213.3%	$3,012	162.5%
Orlando/ Space Coast	$370,398	81.2%	$2,040	110.0%
San Diego	$941,517	206.5%	$3,111	167.8%
Seattle	$764,952	167.7%	$2,330	125.7%

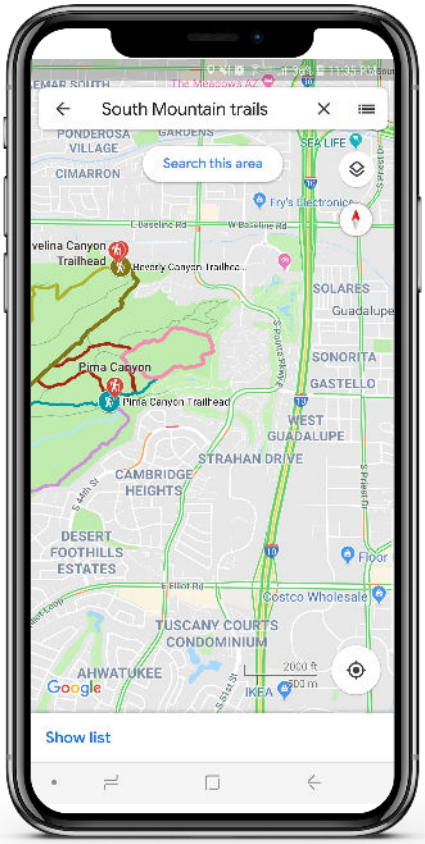
Source: Zillow Home Value Index June 2025; Zillow Observed Rent Index June 2025

AEROSPACE & DEFENSE

Quality of Life

Parks & Recreation

Greater Phoenix is home to hundreds of parks and hundreds of miles of hiking, biking and walking trails. The region is home to the three largest municipal parks in the United States, McDowell Sonoran Preserve, South Mountain Park, and Phoenix Sonoran Preserve. Other large parks in the region include the White Tank Mountain Regional Park, Camelback Mountain, Piestewa Peak and the Superstition Mountains. Notable walking trails in the region include the canal system, Tempe Town Lake, the Greenbelt and Papago Park.



Rankings & Recognition

#1

ASU has been named America's most innovative university 10 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"

#3

Arizona was ranked the third-most attractive state for A&D manufacturing, according to PwC

#4

Maricopa County was ranked as the fourth-fastest growing county in the U.S. between July 2022 and 2023

#7

Arizona is consistently ranked in the top-7 by U.S. News and World Report in power grid reliability

Top 10

In 2025, Arizona ranked among the top-10 states to start a business by WalletHub

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 reliability

Appendix A.1

Aerospace & Defense Industry Cluster Definition

Aerospace & Defense, as a complex and diverse sector, covers a wide variety of specializations and supply lines. The table below outlines the primary NAICS Industry codes used in our Industry Cluster Analyses.

NAICS	Description
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing
336411	Aircraft Manufacturing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
336414	Guided Missile and Space Vehicle Manufacturing
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing
336992	Military Armored Vehicle, Tank, and Tank Component Manufacturing
481111	Scheduled Passenger Air Transportation
481112	Scheduled Freight Air Transportation
481211	Nonscheduled Chartered Passenger Air Transportation
481212	Nonscheduled Chartered Freight Air Transportation
481219	Other Nonscheduled Air Transportation
488111	Air Traffic Control
488119	Other Airport Operations
488190	Other Support Activities for Air Transportation
517410	Satellite Telecommunications
611512	Flight Training (Private)
927	Space Research & Technology

Appendix A.2

Aerospace & Defense Industry Cluster Definition

Aerospace & Defense, as a complex and diverse sector, covers a wide variety of specializations and supply lines. The table below outlines the secondary NAICS Industry codes used in our Industry Cluster Analyses.

NAICS	Description
325920	Explosives Manufacturing
332992	Small Arms Ammunition Manufacturing
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
336999	All Other Transportation Equipment Manufacturing
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing
541330	Engineering Services
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)

Greater Phoenix Economic Council

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