

# ANNUAL REPORT

Fiscal Year 2004



**ARIZONA DEPARTMENT OF COMMERCE**

*Our Job is JOBS!*

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# ARIZONA DEPARTMENT OF COMMERCE

JANET NAPOLITANO  
GOVERNOR

*Our Job is JOBS!*

GILBERT JIMENEZ  
DIRECTOR

To: Governor Janet Napolitano  
Members of the Arizona Legislature  
Citizens of the State of Arizona

The Arizona Department of Commerce was established as an executive agency in 1985 to promote and enhance economic growth and development statewide. During fiscal 2004, at the direction of Governor Janet Napolitano, the agency rallied around the call to action: "Our Job is Jobs!" This continues to be the motivation for all our activities.

Building on the four cornerstones of economic development – a highly skilled workforce, investment in science and technology, an attractive business climate, and strong communities prepared for economic development success – the Arizona Department of Commerce performed critical functions to:

- Increase services to small businesses statewide
- Broaden rural development efforts
- Increase support for business efforts to grow and train Arizona's workforce
- Develop strategies to protect Arizona's military bases
- Develop strategies to increase international trade
- Improve Arizona's tech-focused entrepreneurial climate
- Strengthen statewide partnership in economic development

Evidence of success in all these areas follows due in no small part to the many partners and stakeholders, both public and private that worked with Commerce to keep and grow quality jobs for Arizonans now and for the future.

Respectfully submitted,

Gilbert Jimenez  
Director  
Arizona Department of Commerce

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## PLANNING, RESEARCH AND POLICY

### Legislative Report

The following bills were enacted during the 46<sup>th</sup> Arizona Legislature, 2nd Regular Session, 2004

- Department Reauthorization – SB 1093, Chapter 304, Department of Commerce continuation  
Sponsor: Senator Barbara Leff  
Continues the Arizona Department of Commerce for another 10 years, until July 1, 2014.
- FY05 Budget – SB 1402, Chapter 275, general appropriations act; 2004-2005  
Sponsor: Senator Robert Burns  
Allocation is \$3.45 million for the Department and CEDC, retaining the status quo base budget of FY04. Additionally, \$300,000 and four FTE were appropriated for rural development initiatives. The Legislature diverted \$3.86 million from the Commerce Job Training fund to the Arizona Department of Economic Security Jobs program.
- Forest Health Legislation – HB 2549, Chapter 326, healthy forests; tax credits  
Sponsor: Representative Cheryl Chase  
Establishes the Healthy Forest Enterprise Assistance Program. Companies that process waste material from forest thinning projects in certain zones and are certified by the Department may be eligible for individual and corporate income tax benefits. No resources for Program administration were allocated. The Department will request funding for administration in FY06. Establishes a State Forester. Establishes the State Urban-Wildland Fire Safety Committee.
- Military Base Preservation Fund – HB 2140, Chapter 235, military airport planning; appropriation  
Sponsor: Representative John Nelson  
Establishes a \$4.8 million annual Military Installation Fund. The Legislature allocated to the Department one FTE to administer grants for installation preservation projects that enhance land use planning that is compatible with military airport and ancillary military facility operations.
- Enterprise Zone Program – HB 2045, Chapter 289, income tax credit review schedule  
Sponsor: Representative Steve Huffman  
Clarifies that any kind of retail sales is allowed as long as it does not exceed 10% of the business conducted at the location.

### Commerce and Economic Development Commission

The Commerce and Economic Development Commission is the state's economic policy and planning board. The Commission is responsible for developing the state's 10-year economic strategy. In addition, the Commission administers the CEDC Fund, which provides financial assistance to support the state's economic development efforts. In addition to financing all the research projects listed below, the Commission funded the following projects.

#### Awarded

##### Technology Project

- \$250,000 to fund projects related to technology transfer and commercialization, capital resource center, supply chain, and development of a unified technology brand for the state

##### Military Facilities Task Force

- \$50,000 to the Governor's Military Facilities Task Force to develop statewide recommendations for long-term military industry preservation and enhancement

##### Center for Low Power Electronics

- \$75,000 to CLPE (part of the multi-year commitment to support this joint initiative of ASU and UA)  
CLPE conducts R&D in conjunction with private sector companies, such as Intel and others, to lower the power needs of electronic devices like computers and cell phones

## Research and Information

### Completed

#### Community Economic Base Studies

- Economic base studies of all 88 incorporated communities
- Project represents the first time most of these communities have had data showing the types and concentration of industries in their economies
- Possible through \$78,000 grant to Commerce Office of Economic Information and Research

#### Local Plan Integration, Public Outreach and Strategic Findings

- Part of the Statewide Economic Study
- Report represents input gathered from more than 20 meetings around the state
- Focus is on current state of and future opportunities for Arizona's economy
- Study identifies 11 distinct economic regions in Arizona, each with unique challenges and opportunities

#### Advanced Communications and Information Technology Roadmap

- One of the strategic analyses in the Statewide Economic Study
- Commissioned in support of the work of the Governor's Council on Innovation and Technology
- Analyzed Arizona universities' R&D assets, competitive position and future opportunities within the context of this fairly mature "technology wave"

#### Sustainable Systems Prospectus

- Focuses on the emergence of the "sustainability" technology wave, expected to impact the global economy in the next ten years
- Identified three potential "economy-defining" niches in which Arizona can set the competitive bar: water, harnessing the sun, and sustainable manufacturing
- Commerce, the Governor's office and the universities are now working to develop the foundations that support continued university R&D in these areas

#### Small Business Opportunity Tax Credit Analysis

- Analyzed the policy and fiscal impacts of a tax credit for early stage investments
- Report documents both the benefits and costs of the proposed tax

#### Benchmarking the Commerce and Economic Development Commission

- Analyzed the Commission structure, funding and programs to ensure it is appropriately aligned to support Arizona's technology-based economic development efforts. Current programs through which the CEDC executes its mission were created in the early- to mid-1990's
- A result of findings of the Statewide Economic Study
- Analysis of similar mechanisms in competing states is expected to be completed in 2QFY05

## COMMUNITY DEVELOPMENT

### Community Planning

Commerce provides technical assistance and training to Arizona municipalities, counties, and tribal communities in areas such as the Growing Smarter mandates, land use planning, development, zoning, infrastructure, public participation, and strategic planning.

- \$60,000 Growing Smarter Planning Grant Awards to Cochise and Yavapai counties, Navajo Nation Chapters Coppermine and LeChee, Springerville and Miami
- Commerce staffs the Growing Smarter Oversight Council, a 25-member council representing a variety of private and public interests and charged with the following tasks:
  - Monitoring the implementation of Growing Smarter and Growing Smarter Plus Acts
  - Identifying obstacles to implementation and suggesting refinements to facilitate implementation
  - Developing a method for measuring the effectiveness of the Acts
  - Determining how compliance with the Acts should be addressed and suggesting improvements to the Acts
  - Reporting annually to the Legislature, Governor, and the citizens of Arizona

### Military Preservation

Arizona's military preservation efforts are the largest job retention project undertaken in the history of the state.

- Completed Luke Auxiliary Airfield #1 Joint Land Use Study for Maricopa County and the Davis-Monthan Air Force Base / Tucson / Pima County Joint Land Use Study for the Pima County region
- Commerce provides resource staffing to the Governor's Military Facilities Task Force and the Military Affairs Commission. The Commission was established based on recommendation of the Task Force and is the permanent body to monitor and make recommendations to the Governor on executive, legislative and federal actions necessary to sustain and grow Arizona's network of military installations, training and testing ranges and associated airspace.

### Forest Health

Commerce staffs the Governor's Forest Health Councils. The mission of these councils is to:

- Develop guiding principles for the design and implementation of restoration-based fire fuel reduction and forest health restoration projects based on the best-available science
- Monitor and evaluate results of existing restoration projects in Arizona
- Identify new strategies and opportunities for demonstrating restoration-based fuel reduction and other forest health restoration techniques; to identify the resources to fund demonstration projects
- Evaluate existing and potential sustainable economic uses for small diameter trees that are compatible with long-term protection of forest health and economic development goals

### Energy

Commerce encourages energy policy direction, energy efficiency and renewable-energy usage, and supports reduced utility costs.

- \$215,907 in U.S. DOE Special Project Grants awarded for energy efficiency projects
- \$160,777 granted through the Municipal Energy Management Program resulting in estimated annual energy savings to communities totaling \$149,238
- Commerce staffs the Governor's Essential Services Task Force, which is charged with:
  - Proactively reviewing the gasoline disruption resulting from the pipeline rupture
  - Recommending measures to prevent such occurrences in the future
  - Evaluating other essential services and infrastructures
  - Identifying actionable recommendations that will benefit all Arizonans

### **Greater Arizona Development Authority**

The Greater Arizona Development Authority assists local and tribal governments and special districts with development of public infrastructure. The \$20 million bond authority leverages funding for infrastructure projects, helping to accelerate project development and lower costs of financing.

- \$24.215 million financed by Apache Junction, Drexel Heights Fire District, El Mirage, Pinetop-Lakeside, Queen Creek and Williams through the Greater Arizona Development Authority, saving \$1.065 million in community funds

### **Main Street**

The Main Street Program fosters economic development in partnership with local and state agencies, property owners and business people to revitalize downtown areas.

- \$69,152 granted to Sedona, Casa Grande, Florence, Parker, Payson, and Buckeye
- Grants leveraged with \$287,965 in community funds

### **Rural Economic Development Initiative**

The Rural Economic Development Initiative provides direct assistance organize local economic development efforts, and evaluates community resources.

- \$79,000 granted to the White Mountain Regional Development Corporation, Greater Casa Grande Valley Economic Development Foundation, Graham County Chamber of Commerce, Kingman Airport Authority, Greater Flagstaff Economic Development Council, Lake Havasu Partnership for Economic Development, Prescott Valley Economic Development Foundation, and Payson Economic Development Corporation
- Grants leveraged with \$935,500 in community funds

### **Film**

In partnership with local film offices, Commerce markets Arizona internationally as an ideal location for movies, television, commercials and still photography. Commerce also serves as liaison among interested production companies with the private sector as well as local, county, state, federal and tribal governments.

- With the Phoenix and Tucson municipal film offices, successfully supported attraction of more than 350 commercial film and advertising projects
- Several thousand production days generated an estimated \$37 million in local and regional economic impact

### **Economic Strength Projects**

Commerce administers competitive grants for road construction that encourages capital investment and job creation. Commerce and the Arizona Department of Transportation jointly review and rank project applications, makes recommendations for sign off by the Commerce and Economic Development Commission and the Arizona Department of Transportation. The final funding authority is the State Transportation Board.

- \$1,261,586 granted to Kingman, Navajo Nation, Show Low, Camp Verde, and Santa Cruz County for roadway improvements

### **Private Activity Bonds**

Commerce allocates Arizona's portion of the federally established tax-exempt private activity bond volume cap. This program promotes expansion in the industrial and manufacturing sectors, assists in the development of affordable housing and provides student access to low interest loans for higher education.

- 409 million allocated to 26 Arizona projects for multi-family housing projects, single-family mortgage revenue bonds and certificate programs, student loan programs, and utility projects

## **WORKFORCE DEVELOPMENT**

### **Workforce Policy**

Commerce works with state and local workforce investment boards to establish policies that streamline access to programs for employers and individuals seeking better jobs. The agency coordinates delivery of workforce development services with public education, higher education, community-based organizations and other employment, training and welfare agencies.

- The Department staffs the 35-member Governor's Workforce Development Council of business, state and educational leaders as well as the following committees focused on critical areas of workforce development:
  - o Performance measurement
  - o System building
  - o Economic development
  - o Education
  - o Apprenticeship
  - o Technology
- Launched School to Apprenticeship program in Prescott Valley's Humboldt School District
  - o Identified high-growth industry opportunities and training gaps
  - o Partnered with District, Department of Education, Prescott Valley Industrial Council, local business and community leaders
- Commissioned study on Arizona's workforce development system and the effectiveness of its current governance structure. Alternative governance models were researched to ensure that business needs are being met by the system and are aligned with economic development goals. Report currently under consideration by the Governor.

### **Commerce Job Training Program**

Arizona's ability to attract new economic investment is strengthened by developing a larger, more diverse labor pool. The Commerce Job Training Program provides Arizona businesses and industries with resources to grow a highly trained and skilled workforce.

- 67 grants awarded through the Commerce Job Training Program to:
  - o 15 rural businesses
  - o 35 small businesses employing fewer than 100 employees
  - o (3 of these companies are also included in the 15 rural companies)
  - o 20 large businesses
- Total awards:
 

Total awards:	<u>\$8,244,545</u>	
o To companies with fewer than 100 employees	\$1,896,940	(23%)
o To rural companies	\$2,041,619	(25%)
o For new employee training:	\$3,616,030	
o For incumbent employee Training:	\$4,628,515	
- Total forecasted to go through training:
 

Total forecasted to go through training:	<u>10,468</u>
o Total new to go through training:	2,480
o Total incumbent to go through training:	7,988
- Overall average wage:
 

Overall average wage:	<u>\$42,420</u>
o New forecasted average wage:	\$39,321
o Incumbent average wage:	\$43,382

### **Registered Apprenticeship**

Commerce is the registration agency for apprenticeship statewide. Apprenticeship is a proven strategy that combines on-the-job training with related theoretical and practical classroom instruction to prepare workers for Arizona industry.

- Monitored 133 active Registered Apprenticeship programs with more than 3,000 apprentices
- Established apprentice programs with four new companies involving multiple trades, including:
  - Cabling installer/repairer
  - Composite structures technician
  - Electrician
  - Locksmith
  - Plumber
  - Carpenter

### **Information Technology Tax Credits**

Tax credits are available to Arizona companies that hire targeted employee groups or provide specialized training and services.

- During FY 2004 five companies claimed credits

## **GLOBAL BUSINESS DEVELOPMENT**

### **Business Development and Attraction**

Commerce markets Arizona worldwide to attract new, high wage jobs, and serves as a resource for growing existing companies.

- Commerce assisted the location or expansion of 38 companies
  - 8 (21%) located in rural communities, 30 (79%) located in metro areas
  - More than half in targeted industry sectors:
    - Aerospace
    - Information Technology
    - Bioscience
    - Advanced Business Services
    - Environmental Technology
- 6,702 new jobs
- \$33,429 annual average annual salary
- Capital investment of \$213 million over the next three years

### **International Trade**

Commerce provides long-term assistance to Arizona businesses so they become more competitive outside the United States. The Department works with small- and medium-sized Arizona companies that are new to exporting or are expanding to new markets, and works to attract foreign-direct investment into Arizona

- 3 trade missions to Mexico for multiple industries
  - 16 companies participated
  - 140 meetings were organized and facilitated by Commerce with potential overseas suppliers and clients
- Trade mission to Japan for bioindustry and environmental technology industries
  - 3 companies participated
  - 60 meetings were organized and facilitated by Commerce with potential overseas suppliers and clients
- Trade mission to UK and the Netherlands for aerospace industry
  - 3 companies participated
  - 60 meetings were organized and facilitated by Commerce with potential overseas suppliers and clients
- Hosted Arizona delegation at the Paris Air Show
  - 6 companies participated
  - 74 meetings were organized and facilitated by Commerce with potential overseas suppliers and clients
- Trade show to Frankfurt for bioindustry
  - 41 meetings were organized for our single partner and facilitated by Commerce with potential overseas suppliers and clients
- Trade missions hosted by Commerce in Arizona
  - 455 Arizona companies participated in 120 meetings with 126 foreign company and government representatives
- \$75,000 awarded to three Arizona environmental technology companies to transfer environmentally beneficial technology, services and practices between the U.S. and Asia.
  - Companies from Tucson and Flagstaff (Environmental Systems Products, CTRADE, Inc., and Southwest Windpower) launched programs in India, the Philippines and Sri Lanka
    - CTRADE, Inc. completed projects garnered an additional \$5 million, three year World Bank grant
  - Funding provided by the Council for State Governments and the Arizona Environmental Technology Industry Cluster
- 20 educational seminars conducted in multiple locations to teach Arizona firms about doing business with Multi-lateral banks, in such places as Kazakhstan, Canada, Asia (China, Hong Kong, Singapore), and throughout the global marketplace.

## Small Business

Commerce provides in-person and web-based access to individuals seeking information and resources on starting or expanding a business.

- Assisted 76,813 individuals via phone, walk-in, mail-in, fax, ABC (Arizona Business Connection) online program and e-mails
- Increased Small, Women, and Minority Business Enterprise online directory business listings from 3,900 to 4,500 by promoting its availability in monthly newsletters, at speaking engagements and stakeholder meetings
- Commerce staffs the Governor's Council on Small Business, made up of small business owners and advocates from both rural and metropolitan areas. The Council serves as principal advisory group for issues impacting the Arizona small business community, will address the needs of entrepreneurs, and be a catalyst for improving the manner in which government serves those needs related specifically to:
  - Ensuring accessible and affordable health insurance for small business
  - Creating a common licensing portal that serves as a liaison between businesses and licensing agencies
  - Increasing the number of women and minority business owners
  - Improving the network and supply chain between Arizona businesses

## Innovation and Technology

Commerce provides assistance and resources to accelerate the establishment and growth of technology companies throughout Arizona.

- \$118,175 granted to 24 companies through the AZ FAST grant program. The grants were used to hire consultants to increase success rate when applying for federal funding of technology product development
  - Resulted in five federal Phase I SBIR (Small Business Innovation and Research) awards totaling \$460,000 and one Phase II award for up to \$750,000
- AZ FAST program partnered with other organizations to host 17 workshops and seminars focused on technology commercialization that were attended by more than 750 technology entrepreneurs
- Commerce staffs the Governor's Council on Innovation and Technology which focuses on improving Arizona's knowledge-based economy and is charged with:
  - Developing the framework and vision to enable Arizona to become a global leader in innovation and technology research, development and product creation
  - Strengthening innovation and technology infrastructure in Arizona
  - Evaluating capital formation in Arizona and developing recommendations that support Arizona's global competitiveness in the 21<sup>st</sup> century
  - Promoting technology transfer and encouraging partnerships between Arizona's business community and university researchers
- *TechConnect* magazine, published in partnership with the Arizona Department of Commerce, the Arizona Technology Council, and Southern Arizona Technology Council was launched to highlight developments in the state's technology industries
  - Published three times each year
  - Initial distribution of 20,000 to stakeholders statewide
  - Several thousand more sent nationally and internationally

### Arizona Enterprise Zones

Commerce designates Enterprise Zones to improve the economies of areas with high poverty or unemployment rates. An Arizona company in one of the 25 Enterprise Zones can earn income tax credits based on the number of new jobs it creates and retains. Property tax reduction is also offered to manufacturers that meet employment and industry eligibility requirements.

- Tax Credits
  - 208 companies
  - 326 facilities
  - \$1.3 billion investment reported
  - \$14.5 million tax credits reported (\$715,000 in rural communities at 60 locations)
  - 6,672 new jobs created
  - 9,068 jobs retained
  - \$15.20 per hour average wage offered
- Property Reclassification Certifications
  - 9 small, woman- or minority-owned manufacturing businesses certified for first-year property tax benefits
  - 34 small, woman- or minority-owned manufacturing businesses re-certified for continuing benefits
  - \$102 million gross payroll
  - 3,000 jobs
  - \$13.53 per hour average wage
  - \$52 million invested in fixed assets
- New Zone Designations
  - Bullhead City, Camp Verde, Greenlee County and Lake Havasu City
- Extended Zone Designations
  - Chandler, Coconino County, Flagstaff, Mohave County, Pinal County (2 zones), Tempe, Yavapai County/Prescott Valley/Chino Valley, Cochise County, Colorado City, Gila County, Phoenix, Prescott/Yavapai County, Tucson/Pima County, Western Maricopa

### Military Reuse Zones

Commerce administers the Military Reuse Zone Program to bring new jobs and capital investment to closed military base locations. Companies locating within these zones may qualify for specific tax benefits. Eligible companies include manufacturers, assemblers, or fabricators of aviation or aerospace products and provider of aviation or aerospace services.

- 3 new projects certified for new job tax credits, property tax benefits and an exemption of transaction privilege taxes on construction contracts

## **KEY ECONOMIC DEVELOPMENT INVESTMENTS FOR RURAL ARIZONA**

Assisted in location of Aero-Tech Services to Prescott from Santa Fe Springs, California. Company makes collapsible fuel tanks for aircraft, plans to create 40 new jobs and projects capital investment of \$1.75 million.

Williams financed development of its Dogtown III well and the Williams Justice Center through the Greater Arizona Development Authority in the amount of \$3.59 million, saving the community \$635,000.

\$15,000 awarded to the Greater Casa Grande Valley Economic Development Foundation through the Rural Economic Development Initiative. The community leveraged the grant with \$195,000 to conduct a regional workforce skills assessment.

\$5,500 awarded to the Prescott Valley Economic Development Foundation through the Rural Economic Development Initiative. The community leveraged another \$71,500 to update its 2001 Regional Workforce, Wage and Benefit Study as a tool for business recruitment, retention and expansion.

Planning and zoning education workshop conducted for the Chino Valley Town Council, Planning Commission, Board of Adjustment, and town staff.

\$3,390 Commerce Job Training Grant to Wulfsberg Electronics Division in Prescott to train 30 employees.

\$51,400 Commerce Job Training Grant to MI Home Products in Prescott to train 389 employees.

\$8,658 Commerce Job Training Grant to Physician Business Services LLC in Prescott Valley to train 23 employees.

\$16,000, \$5,135 and \$9,600 awarded to Sedona through the Commerce Main Street Program to develop main street design guidelines, a business directory, and a conceptual drawing for Jordan Court; leveraged by \$270,566 local funds.

\$245,460 awarded to Camp Verde through the Economic Strength Project program to assist with extension of a road associated with relocating the Out of Africa wildlife park.

Partnered with Prescott Valley's Humboldt School District, Department of Education, Prescott Valley Industrial Council, local business and community leaders to launch state's first School to Apprenticeship program to fill training gaps and grow workforce for identified high-growth industry opportunities.

\$5,000 AZ FAST grants awarded to Corneal Science, Flagstaff Renewable Fuels, Novakinetics and Sensitech so they can pursue federal funding to develop and commercialize their technologies.

\$13,750 and \$3,000 grants to the Greater Flagstaff Economic Development Council from the Rural Economic Development Initiative leveraged with \$379,000 to conduct a Northern Arizona regional freight facility market analysis as well as an economic impact study of the 2003 Arizona Cardinals training camp.

\$78,378 and \$99,640 awarded to Flagstaff through the US Department of Energy Special Energy Project for the Northern Arizona University Wind Project and Geothermal Project.

\$25,000 awarded to the Environmental Economic Communities Organization through the Commerce and Economic Development Commission to develop a non-profit organization and financial stewardship fund that facilitates multi-year forest management contracts with the federal government. The goal of this initiative is to attract large forestry companies to the area by insuring operational stability.

Environmental Compliance International of Flagstaff participated in a bio and environmental technology trade mission to Japan. Commerce organized and facilitated multiple meetings with potential overseas suppliers and clients.

4 companies participating in the Enterprise Zone tax credit program reported making total capital investment of \$20.3 million. One manufacturer in the property reclassification program reported a capital investment of \$881,000.

\$24,920 from the Council for State Governments and the Arizona Environmental Technology Industry Cluster awarded to Southwest Windpower of Flagstaff to launch a rural power and telecommunications project in Sri Lanka that is expected to lead to equipment sales to the Sri Lankan government.

Assisted Cascade Tissue Group in locating to Kingman. Company makes in-home, commercial and industrial sector paper products, plans to create 100 new jobs and projects capital investment of \$13 million, using 200,000 square feet of industrial space.

- \$282,857 Commerce Job Training grant to train employees for 60 new jobs
- \$297,108 awarded to Kingman through the Economic Strength Project program to assist the construction of 3,000 feet of Interstate Way, providing access to the Cascade Tissue site

\$5,000 AZ FAST grant awarded to Infobahn Industries, Inc. so this Lake Havasu City-based start up high tech firm can pursue federal funding to develop and commercialize its technologies.

\$7,500 awarded to the Kingman Airport Authority through the Rural Economic Development Initiative. The community leveraged the grant with \$50,000 to develop a marketing plan and collateral materials.

\$8,750 awarded to the Lake Havasu Partnership for Economic Development through the Rural Economic Development Initiative. The community leveraged \$70,000 to conduct preliminary infrastructure work necessary to proceed with the Lake Havasu Bluffs Business and Industrial Airpark.

\$14,741 Municipal Energy Management Program grant awarded to Bullhead City for an energy conservation conversion project, saving the City approximately \$14,926 annually.

\$19,657 Commerce Job Training Grant awarded to Interstate Group, LLC in Kingman to train employees for 40 new jobs as well as seven current employees.

\$81,099 Economic Strength Project grant awarded to Navajo Nation Tuba City Regional Business Development Office to assist construction of 450 feet of US 160 at Peshlakai Avenue to provide access to local businesses.

Assisted in location of AerRock, LLC to Eagar. Company developed a process for extruding thin-walled fiber-cement, a material for affordable housing applications, plans to create 180 jobs with an average annual salary of \$35,000 and projects capital investment of \$25 million.

Assisted in expansion of Western Renewable Energy in Eagar. Company is a biomass energy generation facility that plans to create 9 new jobs and projects capital investment of \$4.5 million.

- \$21,272 awarded to Western Renewable Energy through the Commerce Job Training program to create and train 9 new jobs and train 6 existing employees.

Pinetop-Lakeside financed the \$1.44 million development of its Parks and Recreation Facilities through the Greater Arizona Development Authority, saving the community \$79,000.

\$20,000 awarded to the White Mountain Regional Development Corporation through the Rural Economic Development Initiative. The community leveraged the grant with \$260,000 to develop a comprehensive, three-phase master plan for the Town of Taylor's proposed Business Technology Park, and conducted a fire recovery marketing program for the White Mountains.

\$12,500 awarded to the Graham County Chamber of Commerce through the Rural Economic Development Initiative. The community leveraged the grant with \$162,000 to improve the interior of the Mt. Graham Club House for meeting and conference capabilities in the community.

\$6,000 awarded to the Payson Economic Development Corporation through the Rural Economic Development Initiative leveraged with \$78,000 to design, develop and implement a website to provide information to prospective businesses and site selectors.

\$2,736 awarded to Pinetop-Lakeside through the Municipal Energy Management Program to enable an energy conservation conversion project, saving the Town approximately \$1,060 annually.

\$5,374 awarded to Taylor through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$1,791 Town funds and saving the Town approximately \$1,545 annually.

\$20,000 awarded to Eagar through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$40,000 Town funds and saving the Town approximately \$15,780 annually.

\$20,000 awarded to Gila County through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$10,000 County funds and saving the County approximately \$5,918 annually.

\$10,000 Growing Smarter planning grants awarded to Miami and Springerville to update their General Plans.

Planning/zoning education workshops conducted for Duncan Town Council and staff; the Show Low City Council Planning Commission, Board of Adjustment and town staff; the Teesto Planning Board and Navajo Nation Chapter officials.

\$25,000 awarded to the Environmental Economic Communities Organization through the Commerce and Economic Development Commission to develop a non-profit organization and financial stewardship fund that facilitates multi-year forest management contracts with the federal government. The goal of this initiative is to attract large forestry companies to the area by insuring operational stability.

\$620,000 Commerce Job Training Grant awarded to Phelps Dodge in Morenci to train employees for 120 new jobs and train 2,159 existing employees.

\$182,769 awarded to Show Low through the Economic Strength Project program to assist with the construction of Scott Ranch Road to intersect with SR 260. This project will help Home Depot in creating 112 new jobs. Total capital investment for this project is \$10,000,000.

\$8,800 awarded to Payson through the Commerce Main Street Program to facilitate historic walking tours. Leveraged by \$2,000 local funds.

11 companies participating in the Enterprise Zone tax credit program reported making total capital investment of \$1.1million. One manufacturer in the property reclassification program reported capital investment of \$1.5 million.

Assisted in locating Graham Packaging to Casa Grande. Company produces plastic bottles used by one of its largest clients, Abbott Ross Labs and plans to create 30 new jobs with an average annual salary of \$37,800. Capital investment of \$15.2 million is projected.

- \$137,464 Commerce Job Training Grant awarded to train employees for 28 new jobs and train 2 existing employees
- \$235,647 Commerce Job Training Grant awarded to Abbott Ross Labs to train employees for 60 new jobs and train 43 existing employees

Apache Junction financed the \$6.67 million development of its City Hall Complex and Recreation Center through the Greater Arizona Development Authority , saving the community \$146,000.

Queen Creek financed the development of its \$5.53 million wastewater system through the Greater Arizona Development Authority , saving the community \$196,000.

\$10,666 awarded to Queen Creek through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$4,570 Town funds and saving the Town approximately \$6,646 annually.

\$13,921 awarded to Apache Junction through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$4,641 and saving the City approximately \$6,625 annually.

\$12,640 awarded to Coolidge through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$12,640 and saving approximately \$6,249 annually.

\$20,000 awarded to Eloy through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$190,000 and saving the City approximately \$61,649 annually.

\$4,724 awarded to Florence through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$2,050 and saving the Town approximately \$9,457 annually.

Planning and Growing Smarter educational workshop conducted for the Florence Leadership Academy.

\$6,000 awarded to Casa Grande through the Commerce Main Street Program to purchase street signs identifying the Main Street District.

\$7,814 awarded to Buckeye through the Commerce Main Street Program leveraged by \$9,794 local funds to prepare façade renderings for rehabilitation of three properties.

9 companies participating in the Enterprise Zone tax credit program reported making total capital investment of \$27 million.

Assisted in locating C.A.C. Metal Stamping, Inc. to Yuma. Company conducts metal stamping, uses a 16,000 square foot facility, plans to create 30 new jobs and projects capital investment of \$500,000.

Assisted in locating Union Chemcar America to Yuma. Company manufactures ribbon products, plans to create 100 new jobs and projects capital investment of \$2 million.

\$4,000 awarded to Parker through the Commerce Main Street Program to develop a directory of businesses within the Main Street district.

10 companies participating in the Enterprise Zone tax credit program reported making total capital investment of \$9.2 million.

\$11,500 awarded to Santa Cruz County through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$11,500 County funds and saving the County approximately \$2,949 annually.

\$10,000 awarded to Gila Bend through the Municipal Energy Management Program to enable an energy conservation conversion project, matched by \$3,000 and saving the Town approximately \$4,000 annually.

\$455,150 awarded to Santa Cruz County through the Economic Strength Project program to assist with construction of White Park Road and Oasis Town Circle to provide access to local businesses.

\$40,000 awarded to the Tucson Office of Economic Development through the Commerce and Economic Development Commission to enable Pima County Community College to implement an airframe/power plant mechanic training program. Over the next three years, aviation companies in the region anticipate creating up to 600 jobs for program graduates, with average salaries of \$34,320.

\$5,145 awarded to Miles Label Company in Marana through the Commerce Job Training program to train 12 current employees.

5 companies participating in the Enterprise Zone tax credit program reported making a total capital investment of \$1.7 million.

## **KEY ECONOMIC DEVELOPMENT INVESTMENTS FOR GREATER TUCSON**

Assisted in locating Peterson Enterprises to Tucson. Company is a fabricator of metal accouterments and furniture for prisons nationwide. Utilizing a 22,000 square foot facility. Plans to create 60 new jobs.

Projected capital investment of \$2 million.

- Based in Santa Ana, California, Peterson Enterprises president first learned of Arizona's positive workers compensation program during California gubernatorial debate. Despite discussions with other states, he contacted the Department of Commerce and began to explore opportunities for expansion into Arizona.

Assisted in locating Bombardier's CRJ Service Center to Tucson. Plans to create 350 new jobs with an average annual salary of \$40,000. Projected capital investment of \$6 million.

Assisted location of Acenta Discovery, Inc. to the University of Arizona Science and Tech Park in Tucson from Georgetown University. Company specializes in medicinal chemistry for human diseases and designs compounds for commercial purpose for their clients. Plans to create 10 new jobs with an average annual salary of \$75,000. Projected capital investment of \$250,000.

- \$10,862 awarded to Acenta Discovery through the Commerce Job Training program to create 1 new job and train 2 existing employees.

Assisted with location of CitiCard, a division of Citigroup Global Consumer Group, to the University of Arizona Science and Tech Park. Company is the largest provider of credit cards in North America. Plans to create 1,300 new jobs. Projected capital investment of \$11million.

Assisted with location of Battlespace, a provider of hands-on UAV operational and maintenance training and mission analysis to the US Government, corporate and international customers, to Sierra Vista. Plans to create 15 new jobs with an average annual salary of \$60,000. Projected capital investment of \$2 million.

Assisted DunnAir Corporation, specializing in custom interiors for corporate business jets, in locating to Tucson. Plans to create 300 new jobs. Projected capital investment of \$25 million.

Apache Nitrogen of Benson, Catalina Tool and Mold and Thayer Medical of Tucson participated in a trade mission to Mexico. Commerce organized and facilitated multiple meetings with potential Mexico-based suppliers and clients.

Sargent Controls of Tucson participated with Commerce at the 2004 Paris Air Show, the world's largest aerospace trade show. The event is the single most important venue to U.S. exporters for commercial and information exchange in the civilian and military aerospace fields and is among the most efficient and effective tools for establishing contacts and selling to all world markets.

ZETA Corporation of Tucson participated in a bio and environmental technology trade mission to Japan. Commerce organized and facilitated multiple meetings with potential overseas suppliers and clients.

73 companies participating in the Enterprise Zone tax credit program reported creating 1,665 new jobs and continuing 1,701 jobs, as well as making a total capital investment of \$72.2 million. 12 manufacturing companies in the property reclassification program reported total capital investment of \$6.1million.

Up to \$5,000 in AZ FAST grants awarded to enable the following start up high tech firms to pursue federal funding to develop and commercialize their technologies:

- Paragon Space Development Corporation
  - By leveraging the AZ FAST grant, Paragon was successful in attaining two Small Business Innovation and Research grants/contracts. The technology developed under these NASA contracts will be used in the manned Crew Exploration Vehicle and the proposed Lunar Base.
- Innovative Formulations, Inc.
- Nviro Health, Inc.
- Polypore, Inc.

\$25,000 awarded to the following companies to transfer environmentally beneficial technology, services and practices between the U.S. and Asia. Grant funding provided by the Council for State Governments and the Arizona Environmental Technology Industry Cluster.

- Environmental Systems Products launched a remote vehicle emissions sensing pilot demonstration project in India. Project will provide a basis for governmental agencies to make policy decisions on combating air pollution resulting from vehicular emissions
- CTRADE launched a rural sustainable development project in the Philippines. Project will utilize hybrid renewable technologies to meet economic development needs with minimal environmental impact
  - The completed project garnered an additional \$5 million, three year World Bank grant

\$40,000 awarded to the Tucson Office of Economic Development through the Commerce and Economic Development Commission to enable Pima County Community College to implement an airframe/power plant mechanic training program. Over the next three years, aviation companies in the region anticipate creating up to 600 jobs for program graduates, with average salaries of \$34,320.

Commerce Job Training Grants delivered to Greater Tucson area companies:

- \$25,483 awarded to G&L Enterprises in Tucson to train 20 existing employees
- \$62,016 awarded to Air Systems Components in Tucson to train 310 existing employees
- \$8,132 awarded to Converging Technologies in Tucson to train 19 existing employees
- \$81,999 awarded to Lasertel in Tucson to train 43 existing employees
- \$18,062 awarded to Arete Associates in Tucson to create and train 2 new jobs and train 9 existing employees
- \$337,500 awarded to Spectra-Physics Semiconductor Lasers in Tucson to train 100 existing employees
- \$4,230 awarded to Engineering and Research Associates in Tucson to train 14 existing employees
- \$91,170 awarded to Schnipke Southwest in Tucson to create and train 20 new jobs
- \$92,908 awarded to Copper State Communications in Tucson to train 47 existing employees
- \$428,071 awarded to Slim Fast Food Company in Tucson to create 80 new jobs and train 92 existing employees
- \$7,653 awarded to GW Plastics in Tucson to train 8 existing employees
- \$6,817 awarded to International Logistics Solutions to train 10 existing employees
- \$40,714 awarded to Peterson Arizona in Tucson to create and train 10 new jobs
- \$11,117 awarded to Carb-Boom in Tucson to create and train 9 new jobs
- \$91,345 awarded to Veeco Metrology Group in Tucson to train 84 existing employees
- \$99,483 awarded to IBM in Tucson to train 200 existing employees
- \$234,643 awarded to Modular Mining Systems in Tucson to train 73 existing employees
- \$37,852 awarded to Environmental Systems Products in Tucson to train 98 existing employees
- \$22,900 awarded to Offshore International in Tucson to train 40 existing employees
- \$25,887 awarded to Granite Construction Company in Tucson to create and train 10 new jobs and train 23 existing employees
- \$182,433 awarded to Northrop Grumman in Sierra Vista to create and train 16 new jobs and train 58 existing employees
- \$620,000 awarded to Raytheon Missile Systems in Tucson to train 800 existing employees
- \$257,143 awarded to Bombardier Services Corporation in Tucson to create and train 50 new jobs

Additional investments made:

- \$100,000 and \$64,000 awarded to Tucson through the USDOE Special Energy Project to provide training on energy efficiency and building codes and standards to builders and to convert vehicle fleets for alternative fuel
- Planning and zoning educational workshop conducted for Oro Valley Town Council, Planning Commission, Board of Adjustment, Parks Board, Utilities Board and town staff
- Drexel Heights Fire District in Southern Arizona financed its fire facilities and equipment through the Greater Arizona Development Authority in the amount of \$2.110 million, saving the community \$87,000
- \$4,000 Rural Economic Development Initiative award to the Sierra Vista Economic Development Foundation. The community leveraged the grant with \$25,000 to prepare an economic development strategic plan

## **KEY ECONOMIC DEVELOPMENT INVESTMENTS FOR GREATER PHOENIX**

Assisted with location of All Spares to Phoenix (Anthem). Company distributes aerospace and defense products and relocated from Oregon for quality of life and better access to customers. Plans to create 24 new jobs with an average annual salary of \$45,000. Projected capital investment of \$1.1 million.

Assisted in locating World Corporation to Phoenix. Company is a new entrant in the aerospace sector, will provide maintenance, repair and overhaul services for aerospace and defense industries. Plans to create 10 new jobs.

Assisted the expansion of Newell Rubbermaid Home Products in Goodyear. Company is a major provider of plastic products for home and business. Parent company Newell Corporation was undergoing a strategic reassessment of manufacturing operations that put the Goodyear, Arizona facility in jeopardy. Working with the City of Goodyear and the Greater Phoenix Economic Council, Commerce helped craft a proposal that avoided the plant closing and a loss of jobs. It positioned the Goodyear facility to capture production from other Rubbermaid plants. Retained 250 jobs, generated plans to create 150 new jobs. Projected capital investment of \$9.25 million.

Assisted the expansion of Advanced Research International in Phoenix. Company runs an accredited research and educational tissue bank. Plans to create 5 new jobs. Projected capital investment of \$500,000.

Assisted the expansion of Wells Fargo Consumer Credit in Phoenix. Division provides home equity lending and personal credit management. Plans to hire 1,300 employees and relocated 500 others from a previously leased location in Phoenix. Projected capital investment of \$33 million.

Assisted the expansion of Waste Management, Inc. Company is the leading provider of comprehensive waste and environmental services in North America. Working with Commerce economic development partners, Phoenix was chosen over Tulsa and Austin for new revenue management center back office positions in accounting, finance and customer care. Plans to create 491 new jobs. Projected capital investment of \$1.25 million.

- \$580,987 awarded to Waste Management, Inc., through the Commerce Job Training program to create and train 491 new jobs.

Assisted in locating Diversified Gourmet to Tolleson from California. Company produces private-label baked pastries and goods. Utilizing 62,000 square foot facility. Plans to create 250 new jobs. Projected capital investment of \$4 million.

Assisted in expanding Air Evac Services, Inc., in Mesa. Company provides medical transport via helicopter, fixed wing, and rotor wing craft. Plans to create 14 new jobs with an average annual salary at \$40,000. Projected capital investment of \$200,000.

Assisted in expanding Comtek Advanced Structures in Phoenix. Company is a Canadian manufacturer of interior composite structures supplied to the aerospace and defense industries. Plans to create 50 new jobs with an average annual salary of \$50,000. Projected capital investment of \$600,000.

- \$56,036 awarded to Comtek Advanced Structures through the Commerce Job Training program to create 29 new jobs and train 7 existing employees.

Assisted in locating EaglePicher Technologies, LLC to Phoenix. Company's new automated facility will produce thermal batteries. Plans to create 300 new jobs with an average annual salary of \$40,000. Projected capital investment of \$15 million.

Assisted in locating Metalwest to Phoenix. Company operates steel service centers, specializing in the processing and distribution of flat-rolled metal products. Plans to create 30 new jobs. Estimated \$3 million capital investment.

Assisted with expansion of Comfortex Windows Fashions in Phoenix. Company is a New York-based manufacturer of custom window treatments. Plans to create 103 new jobs. Added two new production lines. Grew from a 5,000 square foot facility to 36,000 square feet.

Assisted location of Diasol to Phoenix from Los Angeles. Company manufactures solutions used for dialysis. Is located in an Enterprise Zone. Plans to create 30 new jobs. Projected capital investment of \$3 million.

Assisted in locating Fleet Parts & Services to Phoenix, expanded from New Jersey. Division is a distribution center for truck body parts. Plans to create 10 new jobs. Projected capital investment of \$500,000.

Assisted with expansion of Ribomed Biotechnologies, Inc. in Phoenix. Company performs chemistry research and development on government contracts. Plans to create 50 new jobs with an average annual salary of \$60,000. Projected capital investment of \$700,000.

Assisted in locating Systems Automated to Phoenix from Sylmar, California. Company is a world leader in conveyor control integration and installation. Plan to create 25 new jobs.

Assisted with expansion of Communications Solutions and Technology to Tempe from Springfield, Missouri. Company offers a comprehensive range of call center, market research and e-commerce services. Plans to create 175 new jobs.

Assisted in locating Mercury Quality Systems to Tempe. Company is plastic injection molding and tooling facility that sells products to the world's largest distributors for plastic tops used in hygienic products. Plans to create 200 new jobs. Projected capital investment of \$7 million.

Assisted in expansion of Acoustic Technologies in Mesa. Company develops chips and software for telecommunications companies. Plans to create 41 new jobs with an average annual salary of \$80,146. Projected capital investment of \$1.5 million.

- \$141,861 awarded to Acoustic Technologies through the Commerce Job Training program to create and train 41 new jobs and train 39 existing employees.

Assisted in expansion of Cambridge Filter Corporation to Gilbert from Mesa. Company manufactures and sells high-end air filters and related equipment for the semiconductor industry. Plans to create 120 new jobs with an average annual salary of \$48,692. Projected capital investment of \$10 million.

Assisted in locating Regional Airline Academy to Mesa. Plans to create 100 new jobs with average annual salary of \$52,000. Projected capital investment of \$3 million.

Assisted in locating Silver State Helicopter Services to Mesa. Company offers flight training in Robinson R22 helicopters and assists government agencies nationwide for passenger transport and external load/firefighting operations. Plans to create 70 new jobs with an average annual salary of \$50,000.

Assisted in expanding Dahlen System to Phoenix from Minnesota. Plans to create 20 new jobs with an annual average salary of \$70,000.

Assisted Genosensor location to Chandler and company then moved to Tempe. The company is a startup genomic technology firm developing and marketing products for genomic research, drug discovery and development, predisposition gene screening, and therapeutic assessment. Plans to create 10 new jobs with an average annual salary of \$40,000. Projected capital investment of \$500,000.

- \$5,071 awarded to Genosensor at new location in Tempe through the Commerce Job Training program.

Assisted with location of Wells Fargo Mortgage Services processing facility to Tempe. Plans to create 600 new jobs with an average annual salary of \$41,600. Projected capital investment of \$10 million.

Commerce organized and facilitated multiple meetings with potential Mexico-based suppliers and clients in a trade mission to Mexico:

- Aerospace Southwest, Phoenix
- Royal Paper Converging, Phoenix
- Leading Edge Tools, Phoenix
- ZetaTech International, Scottsdale
- ESSCO Electric Wholesale, Gilbert

Commerce coordinated multiple meetings with potential overseas suppliers and clients during an aerospace trade mission to Japan:

- Adtron, Phoenix
- Zircon Precision, Tempe
- Silverado Cable, Mesa

BioHumanetics, Inc., of Chandler participated in a bio and environmental technology trade mission to Japan. Commerce organized and facilitated multiple meetings with potential overseas suppliers and clients.

ATSI of Mesa participated with Commerce at the 2004 Paris Air Show, the world's largest aerospace trade show. The event is the single most important venue to U.S. exporters for commercial and information exchange in the civilian and military aerospace fields and is among the most efficient and effective tools for establishing contacts and selling to all world markets.

142 companies participating in the Enterprise Zone tax credit program reported creating 4,816 new jobs and 7,117 continuing jobs, as well as making a total capital investment of \$1.1 billion. 29 manufacturing companies in the property reclassification program reported a total capital investment of \$43.7 million.

Up to \$5,000 in AZ FAST grants awarded to enable the following start up high tech firms to pursue federal funding to develop and commercialize their technologies:

- Kutta Consulting, Phoenix
  - o Using this grant as leverage, Kutta Consulting has accessed Phase I and Phase II Small Business Innovation & Research grants from the US Army to further work on a prototype PDA-like device to control and monitor sensors on small, unmanned aerial vehicles (UAVs). Phase II funding initially provides \$50,000 that leads to development through a cost-plus contract that over two years will provide in excess of \$730,000. The company anticipates a total of more than \$750,000 during this round.
- Crawdad, Inc., Chandler
- Kinetic Muscles, Inc., Tempe
- Three Rivers Holdings, Mesa
- Deluge, Inc., Phoenix
- Symmetric Object, Inc., Phoenix
- GW Medical Technologies, Phoenix
- Innocure, Phoenix
- Safe & Sound Solutions, Phoenix
- Bphone, Phoenix
- Glacis Corporation, Phoenix
- Inxsol, Phoenix
- Performance Software Corporation, Phoenix
- Engineering Science Analysis Corporation, Phoenix

Commerce Job Training Grants delivered to Greater Phoenix Area companies:

- \$148,022 awarded to Insight Direct USA in Tempe to train 827 current employees
- \$93,214 awarded to Systems Installation & Technical Engineering in Mesa to create and train 15 new jobs and train 10 existing employees
- \$208,982 awarded to TRW Automotive to train 990 current employees
- \$18,058 awarded to US Position Group in Mesa to create and train 4 new jobs and train 4 existing employees
- \$183,542 awarded to Polymicro Technologies in Phoenix to create and train 12 new jobs and train 76 existing employees
- \$1,508 awarded to L&A Services, Inc., in Phoenix to create and train 3 new jobs and train 4 existing employees
- \$581,617 awarded to Great Southwest Mortgage in Scottsdale to create and train 31 new jobs and train 175 existing employees
- \$65,532 awarded to Go Daddy Software in Scottsdale to create and train 71 new jobs
- \$14,298 awarded to Epstein, Weber & Conover in Scottsdale to train 20 existing employees
- \$38,068 awarded to Consultant Engineering in Phoenix to create and train 15 new jobs and train 37 existing employees
- \$26,675 awarded to David Evans & Associates in Phoenix to create and train 8 new jobs and train 52 existing employees
- \$268,089 awarded to Triad International Maintenance Corporation in Goodyear to create and train 460 new jobs and train 340 current employees
- \$21,610 awarded to Jobing.com in Phoenix to train 13 existing employees
- \$620,000 awarded to Mesa Airlines in Phoenix to create and train 580 new jobs and train 148 existing employees
- \$24,643 awarded to Desert Plastics in Phoenix to create and train 5 new jobs
- \$141,429 awarded to Audio-Rite LLC in Phoenix to create and train 30 new jobs
- \$437,143 awarded to Lex Reporting Services of Arizona in Phoenix to create and train 85 new jobs.
- \$296,000 awarded to Goodrich Corporation, Aircraft Interior Products Division, in Phoenix to create and train 71 new jobs and train 459 existing employees
- \$20,460 awarded to International Network Services in Tempe to create and train 2 new jobs and train 19 existing employees
- \$12,711 awarded to Quality Testing LLC in Tempe to create and train 10 new jobs and train 24 existing employees

Municipal Energy Management Program(MEMP) grants:

- \$1,980 awarded to Wickenburg to enable an energy conservation conversion project, matched by \$2,000 Town funds and saving the Town approximately \$1,610 annually
- \$13,921 awarded to Apache Junction to enable an energy conservation conversion project, matched by \$4,641 City funds and saving the City approximately \$6,625 annually
- \$10,666 awarded to Queen Creek to enable an energy conservation conversion project, matched by \$4,570 Town funds and saving the Town approximately \$6,646 annually
- \$13,921 awarded to Apache Junction to enable an energy conservation conversion project, matched by \$4,641 City funds and saving the City approximately \$6,625 annually

Greater Arizona Development Authority assisted in financing:

- El Mirage financed street improvements through the Greater Arizona Development Authority in the amount of \$4.885 million, saving the community \$232,000
- Apache Junction financed the development of its City Hall Complex and Recreation Center through the Greater Arizona Development Authority in the amount of \$6.665 million, saving the community \$146,000
- Queen Creek financed the development of its wastewater system through the Greater Arizona Development Authority in the amount of \$5.530 million, saving the community \$196,000

Additional investments made through:

- Planning and zoning educational workshop conducted for Goodyear City Council, Planning Commission, Board of Adjustment and town staff
- \$5,240 awarded to Buckeye through the Commerce Main Street Program to create a rendering of the Elks property, assisting with rehabilitation. Leveraged by \$2,000 local funds
- \$106,831 awarded to Phoenix through the US Department of Energy Special Energy Project to convert vehicle fleets to alternative fuel
- \$25,000 awarded to Phoenix through the US Department of Energy Special Energy Project to coordinate alternative fuel specialists

## ADMINISTRATION

### Expenditure by Program

Administration and Finance:	
Administration	\$1,269,700
Finance	\$1,593,700
Planning, Research, and Policy:	
Planning, Research, and Policy	\$668,800
Business Development:	
Global Business Development	\$2,246,600
Business Assistance Center	\$264,500
National Law Center	\$200,000
Workforce Development:	
Job Training	\$9,190,300
Workforce Development Services	\$960,000
Community Development:	
Rural Community Development	\$987,900
Greater Arizona Dev Authority	\$357,900
Arizona Film Commission	\$279,600
Energy Dev & Utilization	\$4,764,600
<u>TOTAL</u>	<u>\$22,783,600</u>

### Expenditures by Source

Non-Appropriated State Funding	\$11,098,400
Appropriated State Funding	\$7,077,200
Non-Appropriated Federal Funding	\$4,608,000

### Efficiency Review Initiatives

Commerce has been recognized on the Efficiency Review website for initiating multiple “best practices” that can be adopted by other small- and medium-sized state agencies:

- Saved \$20,000 by converting to cellular telephone “shared minutes” plan
- Saved \$850 per year by creating a shared subscriptions library
- Saved \$38,000 by returning 8 of 9 vehicles to state motor pool
- Saved \$600 per year by reducing lighting in storage, corridors, cabinet areas, and copy rooms
- Coordination of all disparate databases with 10,000 records into a centralized “All Agency Database” accessible to all commerce staff
- Instituted “TravelNet,” a searchable database to coordinate staff travel and avoid duplicative trips
- Implemented voice-over IP technology
- Posted small business information on website for 24/7 public access