ROOTS OF SUCCESS

Welcome to Mesa—a vibrant city and a premier location for business development opportunities. Located in the center of Arizona and the heart of the Southwest, the City of Mesa is strategically positioned for businesses to access and serve the global economy. In Mesa, we make it easy for small, medium-sized and large companies to establish healthy roots for success.
MESA ECONOMIC DEVELOPMENT

MISSION
The Office of Economic Development is the City of Mesa’s lead agency for economic development.
Staff supports, cooperates and collaborates with state, regional and local organizations, businesses, academia and others on projects designed to retain and create jobs, strengthen businesses and improve Mesa's economy.

Mesa offers:
• A diverse and sustainable economy that features a balance of base industries that creates high-quality jobs.
• An educated workforce.
• A partnership of government and industry that considers next generation technologies and products as economic opportunities.
• Business people who see Mesa as their home and the world as their marketplace.

MESA BY THE NUMBERS

VITALS
Year Incorporated 1883
Elevation 1,255 feet
Cost-of-living index 96.5
Annual average rainfall 10.6”
Average temperatures High 88 degrees
Low 56 degrees

POPULATION
Number of Mesa Households
Year 2013 171,269
2018 Projection 184,495

Mesa Population Growth
1990-2000 35.5%
2000-2010 16.6%
2010-2015 9.75%

Population Projections 2018
Mesa 490,278
Arizona 7,518,953

DEMOGRAPHICS
Median Age 34.4
Average Household Income $61,064

Educational Attainment
Mesa possesses a talented and skilled workforce with 69,065 residents, or 23.6% of the population, age 25 or above having a bachelor’s degree or higher. Employers will find an abundance of educated adults in close proximity to sites in Mesa. Within a 30-minute drive from Downtown Mesa, there are more than 470,000 professionals (age 25+) with Bachelor’s Degrees or higher.

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s Degree</td>
<td>300,848</td>
</tr>
<tr>
<td>Graduate Degree</td>
<td>169,774</td>
</tr>
<tr>
<td>Associates Degree</td>
<td>117,393</td>
</tr>
</tbody>
</table>

(Source: Sites USA, 2013)
The Phoenix-Mesa region is a vibrant place to live, work and play. With 325 days of sunshine annually, Mesa, Arizona is known for its near perfect, year-round traveling weather, excellent schools, and stunning mountain and lake vistas that residents and millions of visitors enjoy.

Workforce Availability

<table>
<thead>
<tr>
<th></th>
<th>Mesa 2013</th>
<th>Phx-Mesa Metro Area 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Force</td>
<td>350,472</td>
<td>2,792,788</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.8%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

Within a 30-minute drive from Downtown Mesa

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2018 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,449,033</td>
<td>2,646,429</td>
</tr>
<tr>
<td>Households</td>
<td>918,892</td>
<td>989,892</td>
</tr>
<tr>
<td>Labor Force (age 16+)</td>
<td>1,890,619</td>
<td>N/A</td>
</tr>
</tbody>
</table>


“From day one, the team at Mesa has gone above and beyond to support us. Their exceptional efforts and innovative thinking have enabled us to successfully grow our unique brand of low-cost service to and from the greater Mesa community.”

Tyri Squyres,
Vice President of Marketing
Allegiant Air
MARKET ACCESS

Well Connected, Abundant Resources and Reliable Power
Mesa is a city on the move with an abundance of freeways, highways and state routes strategically located along commerce corridors and current and future population centers. Freeways ease traffic congestion—the 101 along Mesa’s west border and the Loop 202 circling the interior of Mesa. US 60 and SR 87 intersect in Mesa and minutes away are Interstates 10, 17 and 8, plus state routes 51, 74, 85 and 88 linking Mesa to other Arizona markets, California and Mexico.

Union Pacific and Burlington Northern Santa Fe Railroad operate rail terminals in the Phoenix-Mesa metro area. Both intermodal facilities offer trailer and container capabilities.

Utility services, water and sewer services are excellent in the City of Mesa. Electricity and natural gas are available at levels necessary to support high-volume commercial users with prices equal to or below national averages.

Mesa Boasts Two Airports
Both Mesa Falcon Field Airport and Phoenix-Mesa Gateway Airport offer a diverse portfolio of aerospace, defense, aviation and other high tech industries, plus the operations to support those such as MRO, cargo and R&D activities.

Key Benefits also include:
• Special incentives in Mesa for aerospace and aviation companies including Foreign Trade Zone and Military Reuse Zone benefits that reduce both real and personal property tax by nearly 80% as well as other significant cost saving benefits.
• Long runways to accommodate commercial, general and recreational aviation.
• Acres of land available for lease or purchase, with existing buildings or greenfield.
• Excellent access to freeways within one mile of each airport.

Light Rail
The arrival of METRO Light Rail in late 2008 ushered in a new era of transportation to the Phoenix-Mesa metro area. Mesa City Council recently approved a three-mile extension with four additional station locations through Downtown Mesa. The light rail extension began construction in 2013 and will be completed in 2016.

The Phoenix-Mesa metro area is the second safest metro area in the nation for avoiding losses from natural catastrophes. -Risk & Insurance magazine
**WHY MESA, ARIZONA MAKES GOOD BUSINESS SENSE**

**Important Tax Information**

Mesa, Arizona offers a competitive operating environment compared to other Southwest markets. For more than a decade, Arizona has implemented reductions in taxes and created incentive programs favorable to businesses.

- In Arizona, workers’ compensation rates are the 7th lowest in the nation and the 6th lowest unemployment insurance costs per employee.
- The assessment ratio for real and personal property taxes on commercial and industrial properties was reduced by 19%.
- Arizona has one of the most aggressive additional depreciation schedules, resulting in reduced operating costs and a quicker path to profitability.
- Arizona also exempts equipment used in manufacturing from sales tax.
- Arizona is a right-to-work state.

Plus, the state does not levy the following taxes:

- No corporate franchise tax.
- No business inventory tax.
- No income tax on dividends from out-of-state subsidiaries.
- No worldwide unitary tax.
- Virtually all services exempt from sales tax.
- 100% of net operating loss may be carried forward for five years.

**Corporate Income Tax:** 6.986%

**Individual Tax Rate:** 3.55%

Compared to Southwest markets, which range from 4.6% to 9.3%

**Sales Tax:** 8.05%

*(Sales tax breakdown: Mesa – 1.75%; County - 0.7%; State - 5.6%)*

**MESA’S LARGE EMPLOYERS:**

- Banner Health System 9,573
- Mesa Public Schools 8,770
- Boeing 4,086
- City of Mesa 3,715
- Maricopa County Government 2,644
- Maricopa Community College 1,951
- Aviall Inc 842
- Apple 700
- Empire Southwest 585
- Mountain Vista Medical Center 530
- Salt River Project 505
- TRW Vehicle Safety Systems 411
- Special Devices 400
LEVERAGING MESA’S ASSETS

The City of Mesa owns thousands of acres of land, new development sites, redevelopment sites and many buildings in the City and outside the City. Several sites in Downtown Mesa are available for projects in, or related to, Mesa’s targeted industries with the primary goal of creating high-wage jobs.

The Office of Economic Development works with entrepreneurs, developers, brokers and businesses to develop partnerships that maximize the asset and generate quality economic development.

BUSINESS INCENTIVES AND PROGRAMS

New Incentives Enhance Arizona’s Competitiveness

- The Renewable Energy Tax Incentive Program allows companies in the solar, wind, biofuels and geothermal industries to receive tax breaks for growing or expanding in Arizona.

- Arizona’s R&D Refundable Tax Credit is now the most competitive in the country because it allows the taxpayer—small businesses with less than 150 FTEs—to receive a 75% refund of the credit. The Income Tax Credit is for qualified R&D done in Arizona, including research conducted at a state university and funded by the company.

- The Small Business Capital Investment Tax Credit Program allows eligible tech-company investors a 30% credit on state taxes over a three-year period (biotech company investors can receive a 35% credit).

- Arizona allows multi-state corporations the option to “super-weight” their sales factor to reduce income tax liability in the state. Plus, Arizona does not reclaim income from activity that was not taxed in other states or countries.
SITES IN DOWNTOWN MESA ARE AVAILABLE FOR QUALITY ECONOMIC DEVELOPMENT PROJECTS THAT CREATE JOBS.

MESA ARTS CENTER
THE CITY OF MESA WORKS WITH OUR PARTNERS TO DEVELOP UNIQUE PARTNERSHIPS BASED ON YOUR COMPANY’S NEEDS.
THE MESA ADVANTAGE

Significant benefits exist for businesses in high-impact industries creating high-wage jobs, making large capital investments or locating in special zones in Mesa.

- **Mesa’s Foreign Trade Zone**, one of the most competitive in the nation, can reduce or defer tariffs and duties, and can reduce property taxes by nearly 80% in perpetuity.

- **Mesa’s Military Reuse Zone** reduces real and personal property taxes by nearly 80% for five years and offers an income tax benefit to qualifying companies of $7,500 per net new employee.

- **Redevelopment Area** - The Government Property Lease Excise Tax Program is available to businesses that lease parcels from the City of Mesa rather than own them outright. All real property tax has been waived and replaced with an excise tax that is an established rate per square foot and based upon the type of use.

- Unlike most other cities in Arizona, Mesa has **NO primary property tax** on real or personal property.

The City of Mesa Office of Economic Development works to ensure the client maximizes the benefits and reduce operating expenses when locating or expanding in Mesa. Companies that participate in programs for job training, small businesses or commercial solar energy businesses also qualify for various tax credits. Additionally, the City of Mesa works with partners to develop unique partnerships based on company needs.

“When we were deciding on a site for our new facility we had many great choices, including out of state. The City of Mesa’s Mayor, Scott Smith, and his team worked hard to come up with a win-win scenario that made Phoenix-Mesa Gateway Airport the best value alternative for Able Engineering. All the way through the process we felt like the City of Mesa was a true partner and we look forward to many successful years working in and with the City of Mesa.”

Lee Benson,
CEO, Able Engineering
MESA’S TARGETED INDUSTRIES

Economic Development priorities are guided by Mesa’s targeted industries of opportunity: Healthcare, Education, Aerospace/Aviation, Technology and Tourism. Based on Mesa’s strengths, quality infrastructure, talented workforce, projected growth and global market trends, the City of Mesa is already realizing significant benefit in each industry space.

Healthcare / Biosciences
- Medical services abound in Mesa and the East Valley. Mesa boasts world-class specialty and general hospitals with more than 1,500 beds combined.
- Training and education is critical to build a workforce pipeline. Banner Simulation Medical Center is the largest simulation training center in the nation, while higher education in Mesa offers healthcare programs and secondary education provides training in biotech and life science industries.
- At Arizona State University Polytechnic, Applied Biological Sciences students have access to state-of-the-art greenhouses and the Laboratory for Algae Research and Biotechnology. Unique research at the Polytechnic campus includes the work of scientists Milton Sommerfeld and Qiang Hu and their conversion of algal feedstock to fuel. Time magazine selected the researchers’ work as one of the best innovations for 2008.
- Biotech companies in Mesa are small but growing. Medical devices are a strong sector in Arizona. Early-stage or established companies will find support and assistance in Mesa.

Education
- More than 40,000 students are enrolled in higher education in Mesa at schools including Arizona State University (ASU) Polytechnic, Arizona School of Health Sciences, Chandler-Gilbert Community College, DeVry Institute of Technology, Mesa Community College, Ottawa University, A.T. Still University, Arizona School of Dentistry and Oral Health and University of Phoenix, to name a few.
- In 2011, the City of Mesa initiated a strategy to recruit legacy institutions of higher learning. The strategy was successful and by 2013, Albright College, Benedictine University, Upper Iowa University, Westminster College and Wilkes University had opened campuses in Mesa. Today, Mesa has 17 institutions of higher learning with Grand Canyon University opening a campus by 2015.
- Mesa Public Schools is the largest school district in Arizona, and the 44th largest in the country and recognized nationally for its superb educational programs and student achievements in academics, sports, creative and performing arts, as well as technical and career training. Mesa boasts a new biotech academy and an advanced health sciences academy.
- Considered a model for career and technical education by the U.S. Department of Education, the East Valley Institute of Technology (EVIT) provides students with hands-on, advanced skills and training in over 40 occupation-specific programs which allow students to thrive in today’s competitive job market. EVIT is a public school district with two campuses that serves students from 10 East Valley school districts.
Aerospace / Aviation

- Phoenix-Mesa Gateway Airport is among the fastest growing hub airports in the United States, accommodating its five millionth passenger in July 2013. It is expected to have five million enplanements annually by 2030.
- More than 100 companies are adjacent to the Falcon Field and Phoenix-Mesa Gateway airports, including Boeing, Lockheed Martin, L-3 Communications, MD Helicopters, Cessna, Embraer, Allegiant, Timken, CAE Oxford Aviation Academy and Able Engineering.
- Boeing manufactures the top-rated Apache attack helicopter as well as the newly introduced Hummingbird Unmanned Aerial Vehicle (UAV) in Mesa in the Falcon Field District.

Technology

- From advanced manufacturing and algae research to software and semiconductors, Mesa is a growing center for high-tech companies.
- In 2013, Apple announced the selection of Mesa’s Gateway area for the construction of a new manufacturing facility that will employ as many as 700 people.
- The City of Mesa recently purchased the U.S. Air Force Research Laboratory retaining the security protocols. The facility, renamed Arizona Laboratories for Security and Defense Research (AZLabs), can support a broad range of sensitive projects, including conferences, workshops, experiments, prototype evaluations, distributed test and training with access to a highly skilled, DoD-focused workforce.
- The City of Mesa and ASU Polytechnic have partnered to create LAUNCHPOINT, The Mesa Technology Accelerator. This is a facility and program dedicated to helping entrepreneurs operating innovative technology companies grow to the next level.

Tourism

- The Mesa Arts Center (MAC) is the largest arts center in Arizona offering comprehensive professional performing arts, visual arts and arts education programming on one state-of-the-art campus drawing more than 450,000 patrons annually.
- Mesa is the Spring Training home for the Chicago Cubs – one of the biggest draws in the Cactus League. The City built a new training facility for the Cubs, which opened Spring 2014.
- In 2015, Mesa will also become the Spring Training home of the Oakland A’s.
- 33.1 million domestic and international overnight travelers visited Arizona – equal to roughly 91,000 visitors per day in 2012.
- Total direct travel spending in Arizona was $19.3 billion in 2012, which equates to almost $53 million every day. This represents a 4.6% increase over the preceding year in current dollars.
EMPOWERED TO HELP YOU BUILD YOUR BUSINESS
The City of Mesa Office of Economic Development works closely with the client throughout all phases of the development process and looks forward to helping you build and grow your business in Mesa.