

A Strategic, Southwestern Location

Sun Corridor Inc. puts a critical business focus on one of the most dynamic and fastest-growing major business centers in the U.S. spanning from Mexico through Southern Arizona, including Cochise County, Santa Cruz County, Pima County and Pinal County. The collective assets of Southern Arizona, combined with Mexico's economic growth, lead to a strategic location and unique competitive strength for business growth and development found nowhere else. The Southern Arizona/Sonoran region, with a total population of 4.25 million, is a binational, world-class center in integrated research, manufacturing and supply chain strength.



The Tucson MSA serves a market of 35 million people within a 500-mile radius. In terms of geography, it lies within 415 miles of Southern California population centers and within 64 miles of the Mexican border. Exports to Mexico, Arizona's largest trade partner, rose 28% in 2014-15. *

Proximity to the I-10 / I-8 (east/west) and I-19 (north/south) interstate highway system provides timely access to suppliers and markets in other southern states. Additionally four international ports of entry, the region's rail/truck intermodal (Port of Tucson), 11 general aviation airports across several counties and Tucson's international airport facilities provide supplementary, highly-efficient methods for people and product movement.

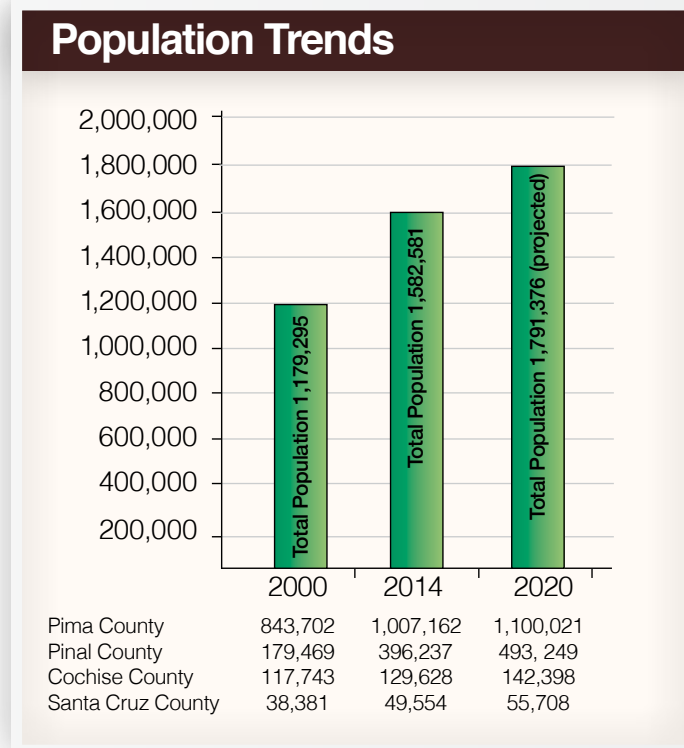
Southern Arizona is blessed with warm weather, lots of sunshine and very few natural disasters. The stable climate is ideal for many types of business systems and testing environments. Fertile agricultural land means a year-round growing season.

AVERAGE PERCENT SUNSHINE

City	% Annual Average
Tucson, AZ	85%
Albuquerque, NM	76%
Birmingham, AL	58%
Chicago, IL	54%
Dallas, TX	61%
Miami, FL	69%
Salt Lake City, UT	70%
San Diego, CA	47%
Seattle, WA	68%

Source: National Climactic Data Center

Sustained Population and Employment Growth



Source: Arizona Department of Administration, Office of Employment and Population Statistics, 2015

The four-county area comprising Southern Arizona has a total population of 1,595,000 and has grown by an average of 2.4% per year since 2000**. There have been only two instances within the reported time period where population growth fell below 1%. One of those years is the estimated growth rate for the 2009 recessionary year. The decrease in population during the latest recession is more of a reflection of the decrease in mobility by those around the country desiring to move but unable to either retire as planned or be able to liquidate a housing asset because of a depressed housing market. By 2020, Southern Arizona's population will be 1.8 million **.

This impressive population growth could not be supported without the creation of jobs, and the employment statistics for the region

paint a similar picture. Historically, the job market declines that are realized during periods of recession in the Tucson MSA tend to be mild. During previous decades, employment growth in the Tucson MSA outpaced the nation as a whole by a factor of between 1.6 and 1.8.

Pinal County, located between Tucson and Phoenix, has a population of 406,000 and is projected to grow to nearly 1.1 million by 2045 **. Cochise County to the east has a population of 129,000 and Santa Cruz County along the Mexican border has a population of 50,000 **.

COUNTY POPULATION BY AGE				
Total Population: 1,582,581				
Sun Corridor Region				
Age	Pima	Pinal	Cochise	Santa Cruz
Total Pop	1,007,162	396,237	129,628	49,554
Under 20	26%	28%	26%	33%
20-34	21%	20%	19%	16%
35-54	25%	25%	24%	25%
55-64	13%	12%	13%	12%
65+	16%	15%	18%	14%

Source: Arizona Department of Administration, Office of Employment and Population Statistics, July 1, 2014 Estimates; U.S. Census Bureau, American Community Survey, 2013.

POPULATION BY AREA					
Pima County		Pinal County		Cochise County	
Tucson	.529,336	Casa Grande	.50,821	Sierra Vista	.44,286
Oro Valley	.42,190	Florence	.26,828	Douglas	.16,989
Marana	.40,342	Eloy	.16,531	Santa Cruz County	
Sahuarita	.27,476	Coolidge	.12,027	Nogales	.21,647
South Tucson	.5,751				

Source: Arizona Department of Administration, Office of Employment and Population Statistics, July 1, 2014 Estimates; U.S. Census Bureau, American Community Survey, 2013.

COUNTY POPULATION BY RACE				
Age	Pima	Pinal	Cochise	Santa Cruz
White	79%	79%	80%	75%
African American	4%	5%	4%	1%
American Indian	3%	5%	1%	0%
Asian or Pacific Islander	3%	2%	2%	1%
Two or more races	3%	3%	5%	2%
Hispanic Origin	35%	29%	33%	83%

Source: Arizona Department of Administration, Office of Employment and Population Statistics; U.S. Census Bureau, American Community Survey, 2012.

Business in Balance



The region’s high desert surroundings and numerous outdoor activities create one of the most balanced living/working environments in the country. With an average high temperature of 82 and a low of 54, Southern Arizona’s temperate climate invites outdoor activities year-round, important factors in attracting and retaining workforce and skilled talent.

With numerous mountains, canyons, lakes, golf courses, and other natural and man-made recreational amenities, the region is a great place to enjoy year-round hiking, biking, boat-

ing, camping, golf, tennis - and even snow skiing in season.

Southern Arizona is also an ideal springboard to all kinds of other adventure and exploration. Just a day trip away are deep-sea fishing in the Sea of Cortez, San Diego’s major attractions, Phoenix and the Grand Canyon.

Quality of life and business rankings for Tucson and its surrounding communities include:

- October 2015 - Money Magazine ranks Tucson #4 for millennials. [Read about the ranking here.](#)
- November 2014 - Tucson named as one of the top 10 cities for global trade. [Read about the ranking here.](#)
- July 2014 - Tucson named a top Southwest city for millennials. [Read about the ranking here.](#)
- August 2013 - Tucson ranks as one of the Top 5 Cities for entrepreneurs, by Entrepreneur magazine. [Read the ranking here.](#)
- April 2013 - Fast Company ranks Arizona #4 overall in the “United States of Innovation” based on many factors, including its thriving business startup community. [Read the rankings here.](#)
- January 2013 - CareerBliss ranks Tucson #2 City to Find a Job, based on happiness data, employment trends and job openings. [Read more here.](#)
- June 2012 - Richard Florida ranks Tucson a Top 20 Creative City in his Daily Beast article “Boulder, Ann Arbor, Tucson & More: 20 Most Creative U.S. Cities”. [Read it here.](#)
- May 2012 - Tucson Ranked #1 Bicycle Friendly City in the country by Outside Magazine. From the article: “This college town is surrounded by mountains but also hosts more than 700 miles (!) of bike lanes, two factors that puts Tucson on top of the Outside list.” [Read it here.](#)



As the 34th largest city in the U.S., Tucson offers all the amenities of a big city. The Wall Street Journal has characterized the Tucson region as a “mini-mecca” for the arts, as it is one of only

14 U.S. cities to have professional opera, symphony, orchestra, ballet and theatre companies. The community is also home to concerts, casinos, and numerous dining choices. In 2015, UNESCO ranked Tucson as North America’s first-ever [City of Gastronomy](#).



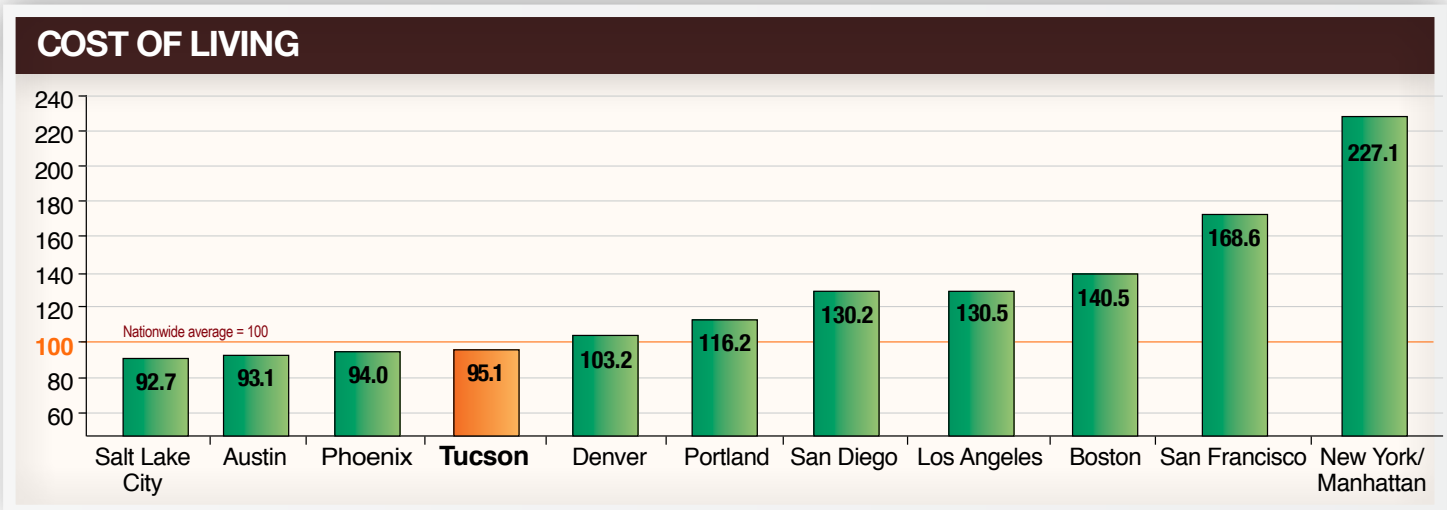
Tucsonans can choose from a variety of spectator sports including Pac-12 play in all major men’s and women’s NCAA sports with The University of Arizona. The region has more than its share of world-class resorts – fantasy oases with spectacular golf courses and luxurious pools and spas.

The Southern Arizona lifestyle offers not only low-density living, but also social opportunities for someone relocating to a new area and desiring to have an impact. Southern Arizona offers an unparalleled quality of life for [today’s young professionals](#).

With over 1.5 million people living in an expansive stretch of awe-inspiring and lush desert landscape, Southern Arizona is accomplishing a goal that many growing regions have abandoned -- an ecologically sound and culturally sophisticated approach to growth and development.

Affordable Living

The fact that Southern Arizona is comparable to some of the most affordable markets west of the Mississippi provides a competitive edge. With a Cost of Living Index at 95.1 ***, Tucson and Southern Arizona enjoy a high-quality lifestyle less expensive than major markets like San Diego, Portland, Denver and Las Vegas.



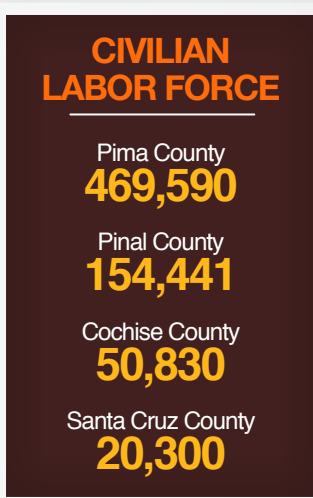
Source: ACCRA Cost of Living Index, Q1 2013

MEDIAN PRICE OF EXISTING SINGLE FAMILY HOMES	
U.S. Average	Median Price
Greater Tucson	\$222,700
Greater Phoenix	\$185,800
	\$221,000
Albuquerque, NM	\$180,700
Atlanta, GA	\$169,200
Boston, MA	\$393,600
Dallas, TX	\$206,200
Denver, CO	\$353,500
Houston, TX	\$209,200
Jacksonville, FL	\$235,000
Las Vegas, NV	\$220,500
Los Angeles Area, CA	\$481,900
Orange County, CA (Anaheim)	\$708,700
Orlando, FL	\$205,000
Raleigh-Cary, NC	\$235,900
Riverside/San Bernardino, CA	\$295,600
Sacramento, CA	\$294,100
Salt Lake City/Ogden, UT	\$260,500
San Diego, CA	\$546,800
San Francisco Bay Area, CA	\$781,600
Seattle, WA	\$385,300
Tampa/St. Petersburg/Clearwater, FL	\$175,100

Note: Data as of Q4, 2015

Source: The National Association of Realtors

Diverse Workforce



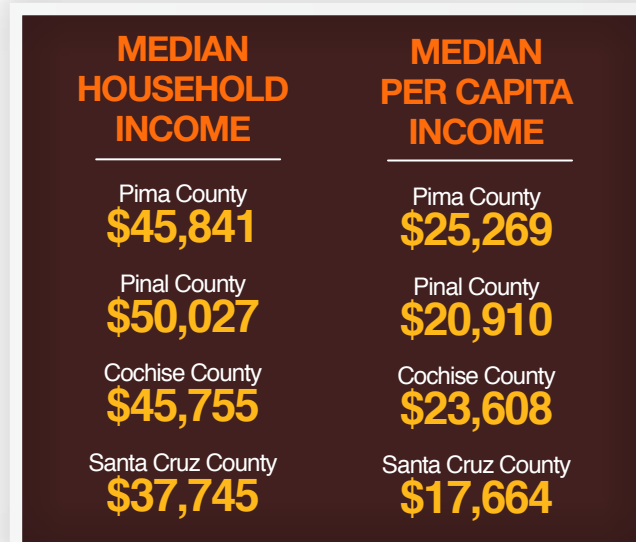
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics.

As one of the fastest growing megaregions in the U.S., the continuing in-migration of talent at all levels positively impacts the regional economy and translates into increased workforce availability. Nearly half of Southern Arizona's population is in the prime working age range of 18 to 54 **. Median age in the megaregion is 37.5 ** and Arizona itself is the 11th youngest state in the U.S.

Regional employers find a diverse, educated workforce, well-qualified with skills for technical positions. Almost 24.7% of the working age population speaks Spanish, making Southern Arizona a center for bilingual opportunities.



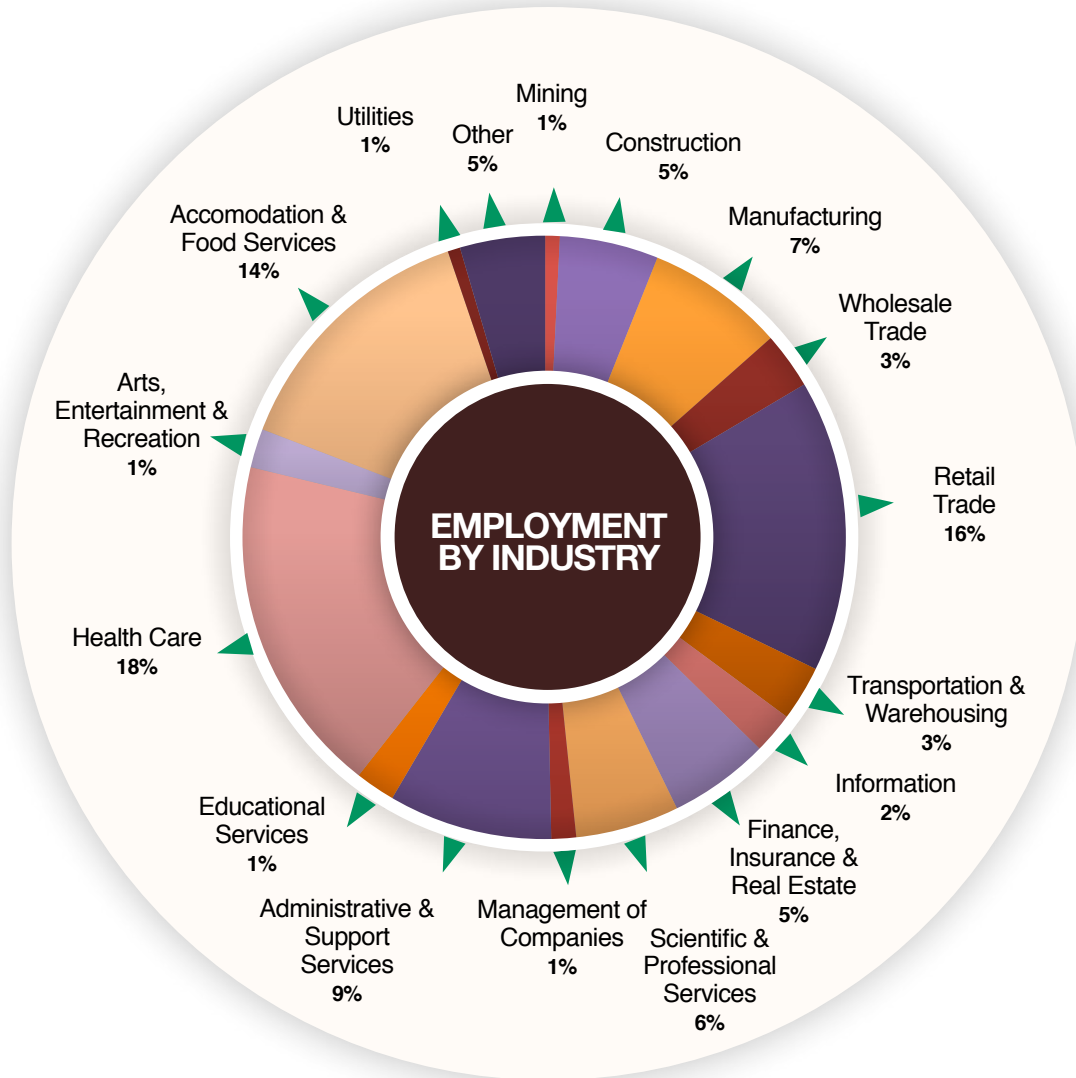
Source: Arizona Department of Administration, Office of Employment and Population Statistics, July 1, 2014 Estimates; U.S. Census Bureau, American Community Survey, 2013.



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Southern Arizona has a well-rounded economy with no voids among major industry categories. Compared to the State of Arizona, Southern Arizona has relatively more manufacturing, health and education services, and government jobs and fewer construction, trade, financial and professional business services jobs. Compared to the U.S. as a whole, there are a greater percentage of professional and business services, education and health services, leisure and hospitality, and government jobs and fewer manufacturing (with the exception of aerospace manufacturing), trade, information and financial activities jobs.

Southern Arizona Regional Overview



The availability of fast-track, customized training also has had a significant impact on the region's workforce. Training courses from the aerospace, information technology, plastics, optics and electronics industries to ISO certification preparation and soft-skills programs on leadership and team building can be found among numerous public and private institutions.

Southern Arizona's highly-skilled workforce is a product of targeted education programs at The University of Arizona, Pima Community College, Central Arizona College and Cochise College, as well as many technical and specialized training programs throughout the region. There are also a number of highly organized cooperative efforts to recruit and retain workers for new and expanding businesses.

Educating the Next Generation

Education is a high priority in Southern Arizona. Complemented by a K-12 public education system of 63 districts with over 236,000 students as well as 149 charter schools and more than 117 private, self-regulating elementary and secondary schools****, Southern Arizona’s well-developed education infrastructure maintains an open ear to the needs of the business community.



In 2014, charter school Basis Tucson ranked No. 5 and in 2015 public school University High School ranked No. 17 on U.S. News and World Report’s list of the top 100 high schools in the country. Other highly-ranked schools in Arizona from U.S. News and World Report include Sonoran Science Academy and Catalina Foothills High School. In addition, Basis Tucson was lauded as a national model in education in the acclaimed documentary “Two Million Minutes: The 21st Century Solution.”

EDUCATIONAL ATTAINMENT IN SOUTHERN ARIZONA						
	Pima	Pinal	Cochise	Santa Cruz	Southern Arizona	
Population 25 and over who have completed:	High school or higher	87%	85%	86%	73%	86%
	Bachelor’s degree or higher	30%	18%	23%	20%	26%
	Advance degree.	12%	6%	8%	6%	10%

Source: U.S. Census Bureau, 2013 American Community Survey.

Primary, secondary, university, vocational, and continuing education institutions in Southern Arizona all contribute to the goal of providing a qualified workforce. The region’s educational system reflects the community’s diversity, offering programs at all levels that meet the needs of both student and employer.

Southern Arizona has a healthy high school graduation rate and growing college enrollment statistics. A highly educated population is an important attraction for companies that require a highly-skilled workforce. The amount of the population with bachelor’s degrees is an indicator that companies in high wage industries use to gauge the skill level of the local workforce. 62% of the population of all four counties in Southern Arizona have continued their education at the collegiate level, and 35% have an associate’s degree or higher*****.

Southern Arizona is home to a number of nationally recognized institutions for higher education.

The University of Arizona

[The University of Arizona](#) (UA), with a mission devoted to excellence in teaching, research, and public service, serves 42,000 students.



The UA is a premier, public research university. The National Science Foundation ranks the UA 19th in research and development expenditures among public universities and colleges, and 30th among public and private universities and colleges.

The NSF also ranks the UA No. 3 in physical sciences research. U.S. News & World Report ranks the UA among America's Best Colleges and the Princeton Review lists the UA as one of "The Best Western Colleges." The UA ranks No. 50 in the world and No. 37 nationally according to the Center for University World Rankings. The UA is one of the nation's top producers of Fulbright Scholars and has high-ranking schools of business and pharmacy (Eller College of Management and the College of Pharmacy, respectively). The UA is one of Southern Arizona's largest employers with 15,600 employees.

The UA College of Engineering offers many outstanding engineering programs, granting 467 bachelor's degrees, 124 masters degrees, and 50 doctoral degrees in 2013-14.

Arizona Center for Innovation, located at the UA Science and Technology Park, is a high-tech incubator that focuses on important developing areas including aerospace, advance composites, information technology and the life sciences.

Source: UA Fact Book, 2013-14

Arizona State University

Adding to the educational strength of the region is another powerhouse of talent just 2 hours north of Tucson – [Arizona State University](#).

- U.S. News & World Report ranks ASU #1 on its "Most Innovative Schools" list
- ASU is ranked #93 in the world by the Academic Ranking of World Universities and #47 among all universities in the United States
- ASU ranks #5 on a list of the top universities favored by employers for producing the best-qualified graduates



Source: ASU Website, 2016

The University of Phoenix

The nation's largest private university for working adults has 4 campuses region-wide.



[University of Phoenix](#) in Southern Arizona offers both in-classroom and on-line learning for Associates, Bachelors, Masters, and Doctoral degrees in many disciplines, including popular business, education, and nursing programs.

College Scorecard data puts University of Phoenix students in the top 25 salaries after attending among large institutions.

Source: University of Phoenix Website, 2016

Trade and Vocational Training

There are over 25 trade and vocational schools throughout the Tucson region.

A growing community plus highly skilled people ready for careers in start-ups, high tech, and more provides unlimited opportunity.

Community Colleges

Southern Arizona residents have access to several community colleges throughout the region:

- [Pima Community College](#), with several well-established regional campuses and a workforce training program, enrolls more than 47,000 students annually, provides contracts for customized on-site job training, and has more than 185 academic and vocational programs. *Source: PCC Quick Facts 2014-15*



- [Central Arizona College](#) is a vital and integral part of Pinal County. With five full service campuses and three centers located strategically throughout the region, CAC offers a full array of academic degrees and certificates, online and university transfer courses, career training and personal enrichment courses to 3,000 students. *Source: College Website, 2016*



- [Cochise College](#) serves nearly 7,500 students, providing accessible educational opportunities that are responsive to a diverse population and lead to constructive citizenship, meaningful careers and lifelong learning. *Source: College Website, 2016*



Infrastructure/Assets

With convenient access to local, regional, national and international markets, Tucson and Southern Arizona benefit from a constant, growing flow of products and services.

Only 63 miles to the south, Southern Arizona's close proximity to the border makes it a natural partner with Mexico and provides ideal access to international manufacturers for production and assembly. Southern Arizona has strong business, cultural and political ties throughout Mexico; over 4 million Mexican nationals spend over \$360 million in the Tucson region annually.

Source: *Mexican Visitors to Arizona, UA*

DISTANCES FROM TUCSON	
Nogales, AZ/Mexico Border	66 miles
Phoenix, AZ	115 miles
Hermosillo, Sonora, Mexico . . .	239 miles
El Paso, TX	318 miles
Guaymas, Sonora, Mexico	324 miles
San Diego, CA	410 miles
Las Vegas, NV	416 miles
Long Beach, CA	489 miles
Albuquerque, NM	450 miles

Connected to the World by Road and Rail

Southern Arizona is readily connected to the global marketplace with strategic north-south/east-west rail and a well-connected highway infrastructure. Tucson is on U.S. Interstate 10, one of only three coast-to-coast Interstates. Interstate 19 branches off I-10 in downtown Tucson and continues to Nogales, Sonora, Mexico. Located on Union Pacific's main line, Tucson boasts the Port of Tucson, an intermodal facility located in Tucson's Foreign Trade Zone. With about \$213 million of Federal stimulus funding, the Mariposa Port of Entry in Nogales was expanded in 2014.



Take Flight

Five airlines currently serve [Tucson International Airport](#) providing nonstop service to 16 destinations with connections worldwide. TIA airlines offer over 55 daily departing flights with approximately 6,200 seats available. TIA nonstop destinations include Los Angeles, Las Vegas, San Francisco, Denver, San Diego, Portland, Seattle, Phoenix, Dallas, Houston, Atlanta, Minneapolis, Salt Lake City and Chicago. TIA is a viable resource for businesses to grow cargo operations. *Source: TIA Website, 2016*



There are 10 additional general aviation airports throughout Pinal, Cochise and Santa Cruz counties.

Deep Water Ports Offer Global Accessibility

Southern Arizona benefits from international commerce generated by the deep-water ports located on the Western coasts of the United States and Mexico. The Port of Los Angeles, Port of San Diego and the newly expanded Port of Guaymas in Mexico provide Tucson and Southern Arizona with access to global shipping destinations. Southern Arizona's location in the Mountain Time Zone means same day communications with the West and East Coasts, as well as with Canada and Mexico.



The Ultimate Climate for Success

Tucson's talented workforce, research and collaboration opportunities, market access and pro-business climate make Southern Arizona an ideal location for any corporation's growth plans.

The region's Corporate Headquarters can be found online [here](#).

Businesses regard Southern Arizona as an emerging location of choice for many important reasons including:

- ✓ A diverse workforce and skill set availability
- ✓ No corporate inventory tax
- ✓ Arizona's designation as a right to work state
- ✓ Focused incentives for jobs and capital investment
- ✓ Congressional delegation focused on the State of Arizona's long-term needs
- ✓ Availability and affordability of land, water and electricity
- ✓ Competitive operational and payroll costs

The Tucson region's largest employers and headquarters operations represent a diverse cross-section of industries:

TOP 25 PRIVATE EMPLOYERS

Raytheon Missile Systems	9,933	Citi	1,900
Wal-Mart Stores Inc.	5,200	Northwest Medical Center	1,722
Banner Health (formerly UA Health Network)	6,329	Safeway Inc.	1,685
Freeport-McMoRan Copper & Gold	5,600	Target Stores Inc.	1,640
Carondelet Health Network	3,476	Sol Casinos	1,500
TMC HealthCare	2,954	Walgreens	1,420
Southern Arizona VA Health	2,450	Circle K Stores	1,200
Fry's Food Stores	2,024	GEICO	1,200
Corrections Corp. of America	2,146	TEP/UNS Energy	1,192
Asarco LLC	2,366	Ventana Medical Systems, Inc.	1,100
Afni Inc.	1,950	Bashas' Inc.	950
APAC Customer Service	1,904	IBM	915
		Union Pacific Railroad	600

Source: Arizona Daily Star, 2014 "Star 200"

INDUSTRY SECTOR COMPANIES

Aerospace & Defense

Raytheon Missile Systems
 Northrop Grumman
 Bombardier Aerospace
 Honeywell Aerospace
 Sargent Aerospace & Defense
 B/E Aerospace Inc.
 Universal Avionics Systems
 World View Enterprises

Bioscience

Roche Tissue Diagnostics/
 Ventana Medical Systems
 Sanofi
 HTG Molecular
 Accelerate Diagnostics
 BIO5 Institute
 Critical Path Institute

Solar & Renewable Energy

SOLON Corporation
 Global Solar
 Schletter, Inc.
 General Plasma

Transportation & Logistics

Arizona Canning Company
 Target.com
 Port of Tucson
 Union Pacific
 HomeGoods

AVERAGE PRICE: ELECTRICITY

State	Residential	Commercial	Industrial
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Arizona ..\$11.88\$10.12\$7.04

California	..16.0915.5111.48
Colorado	...11.919.867.07
Nevada	...11.808.637.41
New Mexico	12.11	.....9.68	.....6.08
Oregon	...10.03	.....8.39	.....5.48
Texas	.....11.19	.....8.28	.....5.80
Utah	.....10.36	.....8.82	.....6.36

Source: U.S. Energy Information Administration, June 2012

AVERAGE PRICE: NATURAL GAS

State	Residential	Commercial	Industrial
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Arizona . \$18.66\$9.67\$5.18

California	...8.986.084.85
Colorado	...10.128.29NA
Nevada	...12.088.117.76
New Mexico	10.34	.....6.13	.....4.22
Oregon	...12.92	.....9.40	.....6.28
Texas	.....13.59	.....6.34	.....2.18
Utah	.....8.76	.....6.70	.....4.20

Source: U.S. Energy Information Administration, May 2012

STATE TAX BREAKDOWN

	Arizona	Notes
Individual Income Tax Rate	2.59%>\$0 2.88%>\$10K 3.36%>\$25K 4.24%>\$50K 4.54%>\$150K	Arizona has no individual county or city income tax.
Corporate Income Tax Rate	6.968%	Corporations incur no county or city taxes. Arizona is also not a unitary tax state.
Corporate Franchise Tax	0%	Arizona has no corporate franchise tax.

Source: The Tax Foundation, 2012 figures based on 2009 data

* UA Eller Economic Business Research Center, 12/15

** Source: Arizona Department of Administration, Office of Employment and Population Statistics, 2015

*** Source: ACCRA Cost of Living Index, Q3 2014

**** Source: Arizona Department of Education, 2015

***** U.S. Census Bureau, 2013 American Community Survey