City of Surprise
Economic Development
AIMS
For the Future!
Our “AIMS” or goals leverage our strengths. Over the last five years, the community has built strength in four key areas: advanced manufacturing, innovation and entrepreneurship, medical travel, and signature retail. As a resident and employee, I am so proud to share some of the successes we’ve been fortunate to experience. Over the last five years, Surprise has permitted nearly 1,750 commercial projects representing almost 4 million square feet of development! These developments represent $600 million of capital investment into the community. The impacts of these projects are limitless. From advanced manufacturing to signature retail and everything in between, the City of Surprise is proving to be one of the most desirable, emerging cities in the Greater Phoenix metro. Breaking all limits and barriers, the Economic Development Department is expanding to the rest of the world. Attracting companies from Taiwan and Canada along with an international cross-border healthcare initiative, Surprise is making an international name for itself.

Join me as we take a look at the successes of the year and plan for the future.

Jeanine Jerkovic, CEcD
Economic Development Director
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Year in Review

1.3M SF
Commercial Permits (FY18)
New Construction & TI

200+
Active Economic Development Projects

40+
New Businesses Called Surprise Home (FY18)

$90M
Commercial Investment in Community (FY18)

3,000+
Single Family Residential Permits Issued in 5 Years

23
Spring Training Events Hosted in 30 Days

PUTTING SURPRISE ON THE MAP

IEDC Economic Future Forum
• Buffalo, NY
• Certified Economic Developer Achieved

INBIA Annual Conference
• Dallas, TX
• 30 Educational Sessions

Select USA Investment Summit
• Washington D.C.
• 66 International Markets

ICSC ReCON
• Las Vegas, NV
• 37,000 Industry Professionals
• 1,200 Exhibitors

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS

Bronze Award for Business Retention & Expansion - 3 Years or More (2018)
City of Surprise Retail Survey

Silver Award for Partnerships with Educational Institutions (2017)
City of Surprise & Ottawa University Arizona

Bronze Award for Entrepreneurship (2017)
AZ TechCelerator

Bronze Award for Business Retention & Expansion - Single Event (2017)
City of Surprise Bell & Grand Campaign

ARIZONA ASSOCIATION OF ECONOMIC DEVELOPMENT GOLDEN PROSPECTOR AWARDS

Economic Development Program - Metro (2018)
BR&E Strategy - City of Surprise Retail Survey

Multimedia Promotions - Metro (2017)
City of Surprise Retail Survey

Special Event - Metro (2017)
Tech the Halls

WESTMARC BEST OF THE WEST AWARDS

Excellence in Innovation (2018)
Global Concierge Services Program

Economic Engine Runner-Up (2018)
Railplex Industrial Park
FY19 Project Highlights

**SeaCa Plastic Packaging**
- Status: Under Construction
- Project Specs: 100,000 SF
- Job Creation: 65 Jobs
- Description: Plastic Injection Molding

**Trimaco**
- Status: Under Construction
- Project Specs: 275,000 SF
- Job Creation: 110 Jobs
- Description: Manufactures Paint Supplies

**MagQu**
- Status: Now Open
- Project Specs: 1,200 SF Custom Start-Up
- Job Creation: 10 Jobs
- Description: Early Alzheimer’s Detection

**Destiny Springs**
- Status: Now Open
- Project Specs: 70,000 SF
- Job Creation: 110 Jobs
- Description: Behavioral Health Hospital

**In-N-Out Burger**
- Status: Now Open
- Project Specs: 2,000 SF
- Job Creation: 50 Jobs
- Description: Top Most Requested Restaurant
This is Surprise

Growing & Innovative City

Surprise is a city on the rise. Over the last seventeen years, the city’s population has increased by nearly 350 percent, and it has emerged as a sustainable community working towards global connectivity. Employment in construction, retail and service sectors has been established, and the city’s focused on bringing high-quality jobs to its residents and investment-rich global companies to its Foreign Trade Zone. Targeted initiatives have been launched to attract industry sectors like advanced manufacturing, innovation, medical travel and signature retail. The city has a progressive approach for supporting high employment projects and is skilled at identifying incentives to assist critical needs of incoming projects.

Location

By the Numbers

134,085
Population

$65,898
Median HHI

7,000+
Surprise Businesses

200,000+
Spring Training Visitors Annually

Regional Connectivity

- Phoenix Sky Harbor International Airport
- Robust Highway Transportation System (I-10, I-17, Loop 101, Loop 202, Loop 303, US-60)
- BNSF Rail Line with Ennis Spur Running through Industrial Park
- Quick and Easy Access to More than 1M Residents in the West Valley
The History of Surprise
Signature Events
Public Safety
Business in Surprise
Shopping, Dining & Entertainment
Parks & Recreation
Youth Programs
Stay In Contact With Us!
City of Surprise Economic Development
AZ TechCelerator Business Innovation Center

www.surpriseaz.gov/econdev
www.aztechcelerator.com
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623.222.8324
16000 N. Civic Center Plaza
Surprise, Arizona 85374
12425 W. Bell Road
Surprise, Arizona 85378
@SurpriseEconDev
@AZTechCelerator
/SurpriseEconDev
/AZTechCelerator
Ensuring Business Success

**Incentive Programs**

- Economic Development Fund
- Foreign Trade Zone No. 277
- 5-Day Building Permit Program
- Interim Office Space During Construction
- Global Concierge Services Program
- Investor Engagement
- Surprise Heritage District Incentives

For More Information:
Visit www.surpriseaz.gov/econdev

**Tax Rates**

- One of the Lowest Property Tax Rates in West Valley - Average Assessed Property Tax Per 100k FCV: $869.90
- Corporate Income Tax Rate: 4.9%
- Total Sales Tax
  - State: 5.6%
  - City: 2.2%
  - County: 0.7%
  - TOTAL: 8.5%

**Regional Partnerships**

- Arizona Commerce Authority
- Greater Phoenix Economic Council
- Global Chamber of Governments
- Maricopa Association of Governments
- Surprise Regional Chamber of Commerce
- Ottawa University
- West-MEC Career & Technical Education
- ARIZONA @ WORK

**Cost of Living Index (COLI)**

<table>
<thead>
<tr>
<th></th>
<th>Surprise</th>
<th>Phoenix</th>
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<tr>
<td>Composite Index:</td>
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<tr>
<td>Healthcare:</td>
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<td>90.7</td>
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</table>

U.S. Average = 100 *C2ER COLI 2018

**Workforce Development Tools**

- Access to Workforce Resources
- Ottawa University Arizona (OUAZ)
- West-MEC Career & Technical Education
- Labor Market Information
- Recruitment Assistance
- Job Fair Assistance
**Why Arizona?**

**DID YOU KNOW?**  
*Arizona has a minimalist regulatory approach to business.*  
The state has no corporate franchise tax, no business inventory tax, no estate tax and is a right-to-work state. Arizona is ready and waiting to support your business needs.

**Life in the desert is good.**  
300+ days of sunshine annually and a lack of natural disasters make Arizona a prime location for any business looking for their new home. Outdoor recreation is unlike any other whether you prefer hiking the Grand Canyon or hitting the slopes in Flagstaff.

**Arizona infrastructure gets you where you need to go.**  
The state is constantly improving and expanding infrastructure to meet the needs of businesses and residents. 40 million consumers can be reached within a single day truck haul and Phoenix Sky Harbor International Airport reaches 142 domestic international locations.

**Arizona is the proud home of the MLB Spring Training Cactus League**  
Where else in the country can you find access to fifteen MLB teams? Each year, the Cactus League generates nearly $400 million for Arizona’s Gross Domestic Product (GPD)

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**35.4**  
With a median age of 35.4, Greater Phoenix is the sixth youngest metro in the U.S.

**40+**  
More than 40 universities and other institutions prepare the market’s workforce across a variety of industries.

**5.5M**  
Greater Phoenix has a population of 4.4M and is expected to grow to 5.5M in the next ten years.

**32%**  
The Greater Phoenix region offers operational costs of up to 32% less than California.

**1,200**  
1,200+ daily domestic and international flights from Phoenix Sky Harbor International Airport.

**75%**  
Shipping costs from Greater Phoenix to California are up to 75% lower than other Mountain West markets.

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**Economic Impact to Arizona Annually**

$1.3B

**NATIONAL SPORTING EVENTS**

- NFL Super Bowl XLIX
- Final Four College Basketball
- College Football Playoff
- WNBA Phoenix Mercury
AIMS Targeted Industries

Mission Statement:
The Surprise Economic Development Department is dedicated to the advancement of the community’s future competitiveness, job prospects, and General Fund enrichment in order to improve the quality of life for residents.
Advanced Manufacturing
Manufacturing or logistics businesses that use innovative technologies to improve their products or processes.

Innovation & Entrepreneurship
The evolution of a product, idea or field that enhances and improves to find a solution to a common problem or need.

Medical Travel
Specialty, world-class medical services and treatments aimed at attracting and caring for international visitors.

Signature Retail
Desirable retail services or products which are destination-oriented or customized to the local environment of the community.
ADVANCED MANUFACTURING
Manufacturing or logistics businesses that use innovative technologies to improve their products or processes.

THE SURPRISE ADVANTAGE

Railplex:
2 Square-Mile Established, Shovel-Ready Industrial Park

Abundant Utility Infrastructure:
Water, Wastewater, Gas, Power & Fiber

Transportation Connectivity:
Access to Four Highways within 10 Minutes via Dedicated Truck Routes

BNSF Rail Service:
Including Ennis Rail Spur and Quick Access to Car Depot

Loop 303 Market Area:
300-Acre Site Geared for Future Data Center Operator

Workforce Strategy:
Trainings Allow Businesses to Hire Top Level Candidates

SUPPORT PROGRAMS & ASSETS

MARKETING
Southwest Railplex Marketing Strategy
Video Marketing Campaigns
Digital Media Utilization

BUSINESS RETENTION & EXPANSION
BRE Surveys for Existing Industrial Businesses
Corporate HQ Focus
Customized Recruitment Events

WORKFORCE
West-MEC: Career and Technical Education
Ottawa University (OUAZ): Engineering
Arizona@Work / HSCV Partnership

PARTNERSHIPS
Surprise Regional Chamber of Commerce
Greater Phoenix Economic Council
Arizona Commerce Authority

City of Surprise
Economic Development Department
Phone | 623.222.3300 Email | econdev@surpriseaz.gov
Web | www.surpriseaz.gov/econdev
RAILPLEX

350 Acres of Developable Land

4 Corporate HQs
2 International

5,000 Linear Feet
Ennis Rail Spur

4 Highways
Within 10 Miles

Shovel-Ready
Industrial Sites
INNOVATION & ENTREPRENEURSHIP
The evolution of a product, idea or field that enhances and improves to find a solution to a common problem or need

STRATEGIC FOCUS
- Makerspace
- Accelerator
- Angel Investor/Financial Network System
- Smart City

THE SURPRISE ADVANTAGE

AZ TechCelerator:
60,000 SF City-Owned Campus
Ideal for Assisting Startup Companies

Innovation Network:
Access to a Variety of Mentors, Investors, Industry Experts, and More

Global Concierge Program:
AZTC is a One-Stop-Shop for International Companies to Enter the U.S. Market

Beehive:
Co-Working Space That Caters to Surprise’s Home-Based Businesses

Soft Landings Designation:
In 2018, the AZTC Became 1 of 31 Designated Sites Worldwide

Entrepreneurial Ecosystem:
Ability to Innovate in a Culture of Like-Minded Entrepreneurs

SUPPORT PROGRAMS & ASSETS

MARKETING
AZTC Marketing Strategy: Website, Digital, Print Materials
Social Media Optimization
Dex Media

BUSINESS RETENTION & EXPANSION
Graduating Tenants
Surprise Regional Chamber of Commerce
Business Trainings, Amenities & Resources

WORKFORCE
Arizona@Work
West-MEC: Career and Technical Education
Ottawa University (OUAZ): Engineering Programs/Degrees

PARTNERSHIPS
InBIA
Global Chamber
Arizona Tech Council
Small Business Development Center
MEDICAL TRAVEL
Specialty, world-class medical services and treatments aimed at attracting and caring for international visitors

City of Surprise
Economic Development Department
Phone | 623.222.3300 Email | econdev@surpriseaz.gov
Web | www.surpriseaz.gov/econdev

STRATEGIC FOCUS
• Canadian Healthcare Initiative
• International Strategy
• Healthcare Excellence
• Complementary Amenities

THE SURPRISE ADVANTAGE
International Strategy:
Foreign Direct Investment (FDI) strengthens the local economy

Canadian Surprise:
1,200+ Canadian Residents Live in Surprise

Aging and Retiring Population:
Retirement Communities Attract Older Populations that Require Healthcare

Influx of Young Families:
As Surprise Grows, Young Families Continue to Move to Surprise

Medical Office Inventory:
1.6M+ SF of Office Space Exist in Surprise with 160,000+ SF Available

Healthcare Workforce:
Educational Campuses Offer a Range of Healthcare Training

SUPPORT PROGRAMS & ASSETS
MARKETING
Canadian Healthcare Postcard Campaign & Survey
Cross-Border Healthcare Website

BUSINESS RETENTION & EXPANSION
Focus: Existing Major Medical Companies (Banner, Dignity Health, Marketplace at City)

WORKFORCE
West-MEC: Career and Technical Education
Ottawa University (OUAZ): Nursing, Medical Programs

PARTNERSHIPS
Canada Arizona Business Council (CABC)
Greater Phoenix Economic Council (GPEC)
Kealey & Associates
SIGNATURE RETAIL
Desirable retail services or products which are destination-oriented or customized to the local environment of the community

City Center (Downtown Development)
- Resort, anchor entertainment
Loop 303 Development
- Mixed-use, family-oriented entertainment

THE SURPRISE ADVANTAGE

Bell & Grand Success:
1M SF With Nearly 100% Occupancy Over the Last 10 years

Existing Inventory:
Current Businesses are Proving Success is Imminent in Surprise

Growing Population:
In the Next 20 Years, Surprise Will be the Largest West Valley City
*MAG Socioeconomic Projections

Demographics:
Surprise has a Diverse Population Ranging From Young Families to Retirees

Bell Road Traffic Counts:
Consistently One of the Busiest Arterials in the Valley (40,000+ VPD)

Available Second-Gen Space:
Former Grocery Stores Have Created Opportunity for Infill Projects

SUPPORT PROGRAMS & ASSETS

MARKETING
- ICSC Strategies
- Retail & Hospitality Brochures
- Specialized Retail Strategy and Messaging

BUSINESS RETENTION & EXPANSION
- Build Relationships with Existing Businesses, Brokers and Developers
- Award Winning Retail Survey & Local Favorites Program

WORKFORCE
- Utilize New City/County Workforce Coordinator
- Ottawa University and Youth Engagement

PARTNERSHIPS
- Surprise Regional Chamber of Commerce
- International Council of Shopping Centers (ICSC)
RETAIL SUCCESS, TRENDS & OPPORTUNITIES

Demographics - 5 Mile Radius
Population: 150,598
Daytime Population: 124,281
Housing Units: 63,911
Median HHI: $64,111
Median Home Value: $228,972
Median Age: 38.7

RETAIL MARKETPLACE PROFILE

<table>
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<tr>
<th>NAICS</th>
<th>DEMAND</th>
<th>SUPPLY</th>
<th>GAP</th>
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<tbody>
<tr>
<td>Furniture &amp; Home Furnishings Stores</td>
<td>422</td>
<td>$186.2M</td>
<td>$103.4M</td>
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<tr>
<td>Electronics &amp; Appliance Stores</td>
<td>443</td>
<td>$186.8M</td>
<td>$91.6M</td>
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<tr>
<td>Gasoline Stations</td>
<td>447</td>
<td>$517.4M</td>
<td>$207.0M</td>
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<tr>
<td>Clothing &amp; Accessories Stores</td>
<td>448</td>
<td>$253.6M</td>
<td>$189.4M</td>
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<tr>
<td>Sporting Goods/ Hobby/ Music Stores</td>
<td>4511</td>
<td>$129.1M</td>
<td>$61.8M</td>
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<tr>
<td>Food Services &amp; Drinking Places</td>
<td>722</td>
<td>$593.8M</td>
<td>$545.8M</td>
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ESRI TOP TAPESTRY SEGMENTS

Up and Coming Families
CHARACTERISTICS
- Median HHI: $64,000
- Live in single-family homes and low vacancy rates
- Dual-income households
- Comprised of young families

The Elders
CHARACTERISTICS
- Median HHI: $35,000
- Predominantly retired
- Median HHI is low however median net worth is high
- Prefer proximity to amenities

Boomburgs
CHARACTERISTICS
- Median HHI: $105,000
- Prefer single-family homes
- Well-educated, young professionals with low unemployment rates

$47,006
Median Disposable Income (2017)