

City Council Workshop Notice & Agenda



Friday, September 06, 2013
Development and Community Services Building
Point of View Room
9875 N. 85th Avenue
Peoria, AZ 85345

8:00 – 8:30 a.m. Continental Breakfast

Convene:
Roll Call:

Study Session Agenda

Subject(s) for Discussion Only

1. Update and Discussion on Economic Development Projects and Programs

Call To The Public (Non-Agenda Items)

If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

Adjournment

NOTE: Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

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PUBLIC NOTICE:

In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.

City Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at <http://www.peoriaaz.gov/content2.aspx?id=2151>.

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**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION**

Date Prepared: August 1, 2013

Council Meeting Date: September 6, 2013

TO: Carl Swenson, City Manager

FROM: Scott Whyte, Economic Development Services Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Economic Development Workshop

Purpose:

To provide the City Council an update on economic development projects and programs, as well as to receive prioritization direction from the Council as to the projects and programs to pursue.

Background/Summary:

On October 19, 2010, the City Council adopted the Economic Development Implementation Strategy (EDIS) which identified the city's economic development strengths, weaknesses, opportunities, and threats, as well as created a roadmap for economic development activity in the city through the establishment of eleven initiatives to guide economic development activities. Staff has used the Council adopted EDIS as a work plan in terms of pursuing specific proposals to move the city's economic development objectives forward. The EDIS initiatives are the following:

- University Recruitment
- Investment Zone Development: P83 Entertainment District, Old Town Peoria, Vistancia Commercial Core Mega Site, Rovey Industrial Park Mega Site, and Park West
- Health Care Recruitment
- Business Assistance Program
- Strategic Land Assembly
- Marketing Plan
- Medical Device Incubator
- Permit and Approval Process Improvements
- Workforce Development

Exhibit A provides a comprehensive summary of current Economic Development Services (EDS) activities with respect to the EDIS initiatives. Exhibit B is a summary of potential funding allocations for EDIS projects. Below is a summary of each project category.

Current Projects:

Current projects are those that have city obligations through existing agreements or advanced levels of consultant review but are presently unfunded, underfunded, or still require Council approval.

- **Bioinspire** – incubator program with operating costs funded through Year three (3) of a five (5) year program (executed operating grant agreement). Years 4 and 5 are not currently funded.
- **P83 Public Improvements** – This multi-phase improvement program in the Entertainment District has insufficient funding to implement all of the planned improvements (in the Design Concept Report phase). Only the first phase out of four phases is funded.
- **PSP Mixed-Use Redevelopment Project** – This public/private partnership with PSP, LLC likely will have parking garage design and construction costs estimated at up to \$30 million (executed ground lease). The debt service on the parking garage will require the entire allocation of EDS' ongoing annual funding stream of \$2.175 million for the next 20 years. The developer has a deadline of September 30, 2013 to submit a response to the Ernst & Young report that was the subject of a June 2013 Council Study Session. Assuming that the project is revised to meet City concerns, a development agreement will need to be approved by the City Council, as well as other associated documents.
- **Huntington University** – Deal points were initially presented in executive session on June 25, 2013. A development agreement will be brought to Council for approval at a future date. The funding for this project has not yet been allocated.
- **College of St. Scholastica** – Deal points were initially presented in executive session on June 25, 2013. A development agreement will be brought to Council for approval at a future date. The funding for this project has not yet been allocated.

There is \$2.754 million available for funding at this time, with the following projects competing for that funding: BioInspire years 4 and 5 (\$1.625 per year), P83 Improvement Project Phase II (estimated \$13 million), Huntington University (\$700,000), College of St. Scholastica (\$925,000).

Upcoming Projects

Upcoming projects are those where the city has an executed Exclusive Negotiating Agreement (ENA) but not yet advanced to a development agreement. These projects have developing project proposals for future staff and third party evaluation.

- **Blue Ocean Biomanufacturing** (ENA approved 2/5/13). The City is waiting for Blue Ocean's proposal for staff and third party evaluation.
- **Copper Cactus Distillery** (ENA approved 4/9/13)
- **Peoria Town Center** – While an ENA has not been executed, there are two reasons that this project is in the upcoming category: Huntington University is looking to lease 20,000-30,000 square feet of space in part of the center, and the new ownership has already had meetings with EDS and planning to confirm the zoning for his behavioral health project, the timing for which is envisioned to parallel the build out for Huntington University. We are awaiting a proposal, as well as final site and construction plans.

- **Smitty's Property Re-Use** – We are in discussions with Chicanos Por La Causa (CPLC) on developing an MOU for this property because it is in a census track that is eligible for federal New Market Tax Credits (NMTC). CPLC and EDS have been in discussions on a partnership to redevelop the Smitty's property.

There is currently no funding set aside for the development of these projects. However, we continue to work them because there are interested businesses and property owners involved. For example, the Peoria Town Center is in one of the city's investment zones, as well as a revitalization area, and the property owner is motivated to renovate the building to create space for Huntington University and his own behavioral health facility, both of which are targeted industries (higher education and healthcare).

Future Projects

Future projects are projects that are currently being pursued but are highly conceptual and have not yet reached the point of having an agreement, such as an ENA, in place.

- **Rovey Industrial Park** – A conceptual 328 acre, rail supported industrial park in southern Peoria. The city does have an ENA with the Rovey family for the purpose of pre-design services and master-planning of the site.
- **Goodwill Property Re-Use** – new ownership is seeking a future demolition of the existing building and construction of a new smaller Goodwill as well as some additional potential mixed-use development.

Previous Actions:

Below is a list of previous Council meetings that discussed economic development status updates:

- February 5, 2013 – City Council Study Session on Economic Development Status Update and Funding Allocation
- January 31, 2012 – City Council Study Session on Economic Development Status Update and Funding Allocation
- September 9, 2011 – Council Workshop on Economic Development Project Prioritization

Staff Recommendation:

Receive Council direction as to how to proceed in prioritizing, implementing and funding economic development projects.

Fiscal Analysis:

Please see attached Economic Development Project and Budget Matrix document (Exhibit B).

Exhibit(s):

Exhibit A: Project Update

Exhibit B: Economic Development Project and Budget Matrix Document

Exhibit C: Building Re-Use Implementation Strategy

Exhibit A: ED Project Update

As of August 2013

Business Attraction

University Recruitment

The city has been very active in its university recruitment efforts. To date our achievements and activities include the following:

- Executed development agreement with Trine University (10/23/12)
 - Trine received its accreditation for the Higher Learning Commission in May 2013 and is planning to start classes in September 2013 at the facility at 14100 N. 83rd Avenue.
- Dealpoints for the Huntington University (HU) and College of St. Scholastica (CSS) university expansions were presented to Council in executive session on June 25, 2013.
- Staff is working with HU and the owner of Peoria Town Center to finalize deal points for a development agreement to be presented to Council at a future date.
- In August 2013, Trine University and CSS informed EDS of their desire to now focus on the development of a full residential campus rather than an intermediate university expansion. This changes the discussion and site that was considered to accommodate their destination campus objectives. Staff is working with both Trine and CSS to fulfill their new campus development direction.

Health Care Recruitment

- Staff has been working with Vanguard Health Systems for a hospital-based healthcare campus in northern Peoria (build-to-suit) in the Vistancia Commercial Core. In August 2013, staff became aware of Tenet Healthcare purchasing Vanguard Health Systems. The purchase is reported to be finalized at the end of the calendar year. Should negotiations with Vanguard/Tenet not progress at a quick pace, staff will pursue a joint Request for Proposals (RFP) in partnership with Vistancia, LLC for a higher education residential campus and health care consortium.

Investment Zones

In this category we would like to highlight 5 focus areas:

- **P83 - Entertainment District**
 - Peoria Sports Park (PSP) Redevelopment Project – The developer’s project proposal was analyzed by Ernst and Young to determine its financial feasibility, which was presented to Council on June 25, 2013. Several challenges were identified and the developer is currently modifying his proposal to address those challenges. His revised proposal is due to the City on September 30, 2013.
 - P83 Public Improvements - The Design Concept Report (to 30% engineered plans) for the P83 district identity and place-making improvements is almost complete. A public meeting will be held on September 4, 2013, with the draft Design Concept Report presented to Council on September 17, 2013.
- **Old Town Peoria**
 - Commercial Rehabilitation Program - The second phase, Wagoner Plaza II, was completed in May 2013. Funding for this program was not renewed in FY 2014, and therefore is not a functioning program at this time.
 - First Strategic completed the Building Re-Use Implementation Strategy in June 2013 (see Exhibit C). Of the 8 buildings evaluated, two have already been repurposed by the building owners (Goodwill and Arrowhead 101 Building F), a third building owner did not want to participate (Best Buy), and a fourth building was recommended for demolition (Smittys).
 - The Peoria Town Center has been purchased by a local investor. Staff is working with him to locate Huntington University in part of the space. He also is looking to open up a behavioral health facility in a different part of the almost 200,000 SF center.
 - The city entered an ENA with Copper Cactus Distillery for the small business to open a custom distillery in the old Firehouse. Negotiations on the space continue.
 - Discussions commenced in July 2013 with Chicanos Por La Causa, Inc (CPLC) for a partnership with the city for the revitalization of Old Town generally, and the redevelopment of the Smittys property, specifically. An MOU between CPLC and the City is being drafted for presentation at a future Council meeting.
- **Rovey Industrial Park Mega Site**
 - Peoria has been shortlisted for a GPEC prospect that is looking to build a manufacturing facility on about 20 acres of the Rovey land.
 - The city facilitated a meeting between the Roveys and a local developer to provide guidance as to the development of the Phase 1 parcels.

- **Plaza del Rio**
 - Bioinspire opened on September 25, 2012 and is now home to 6 companies.
 - A full annual report to the Council on the accomplishments of BioInspire during its first year of operation is scheduled for the October 1st study session.
- **Northern Peoria**
 - An amendment to the Vistancia DA will be going to Council in October 2013 to provide technical clarifications for the development of the Vistancia Commercial Core.
 - A marketing event is scheduled at Blackstone Country Club in Vistancia to once again target developers and end users that may be interested in developing in the commercial core. This event is a collaboration between EDS and Vistancia, which will be held in November 2013.

Marketing Plan

The city has engaged in various promotional activities to market and promote the City:

- Investment Conference – Approximately 90 people attended the Investing in Innovation conference that the city hosted on February 20, 2013. This event drew speakers on a variety of topics including higher education for a high wage workforce, the trends in healthcare today, and a perspective on advanced manufacturing.
- Public Relations Campaign – this campaign has been very successful in outreach efforts to establish the city’s image nationally and internationally as an emerging place to do business. This year’s communications plan includes the following:
 - Advertising and article placement in targeted markets (California, Seattle, Indiana, and Minnesota to capitalize on where we have been successful, where we will be attending trade shows and conferences, and clusters of industries we are going after)
 - Public relations and speaking opportunities at conferences both locally and nationally
 - Videos depicting development initiatives in the city (both on Channel 11 through Economic Development 24/7 TV show and testimonial videos)
 - Collateral pieces, web development, and partnerships
 - Social media and communications pieces
 - P83 Tourism and Special Events

Medical Device Incubator

The six companies currently housed in the BioInspire facility are the following:

- Arizona Medical Systems: a company that has developed transformative technologies that simplify cardiovascular procedures for physicians and provide better outcomes for patients of heart disease.
- Hildeez: a company that provides a comfortable recovery garment that allows easy access to a patient's treatment site following a surgical procedure such as a total knee replacement.
- Kulira Technologies: an advanced biomedical engineering firm that creates solutions for surgical oncology using state-of-the-art biomaterials. Kulira received a \$7,000 FAST grant from the Arizona Commerce Authority.
- Nasseo: a medical device company that is dedicated to providing clinicians and patients with smarter and longer-lasting dental and orthopedic implants. Nasseo was awarded \$250,000 from the Arizona Commerce Authority Grant in June 2013.
- Yolia Health: an optometric device company committed to help eye care providers preserve, restore and enhance vision through cost-effective, non-invasive forms of treatment.
- Stimwave Technologies: a pain management company that has developed a wirelessly powered microimplantable stimulators for the neuromodulation field for pain relief particularly for patients suffering from chronic back and leg pain. Stimwave was awarded \$250,000 from the Arizona Commerce Authority Grant in June 2012.

Business Retention and Expansion

Business Assistance Program

The goal of Peoria's Business Assistance Program is to retain and expand existing businesses by learning about issues business owners are facing and addressing those issues in a timely manner.

Visits to existing companies in 2012 totaled 187. The following programs and developments are, in part, in response to the needs of the existing business community:

- Job Fair
- Commercial Rehabilitation Program
- P83 Entertainment District Identity Program
- Peoria Small Business Roundtable

Redevelopment

Strategic Land Assembly

Infill and redevelopment efforts enable communities to stimulate new development and investment into existing urban and suburban areas that already provide services. This is accomplished by developing, redeveloping, and re-using existing sites and buildings in neighborhoods, commercial corridors, and centers.

EDS has put a great deal of effort in redevelopment activities for Old Town, including the successful completion of phase 2 of the Commercial Rehabilitation Program, the building assessment of the old Fire Station and Administration buildings, and the Building Re-Use Implementation Strategy developed by First Strategic. We are also working with the new property owner of the Peoria Town Center and the Mack Company on the redevelopment of the Goodwill center.

Other redevelopment projects that we have focused on include the Peoria Sports Park project and a concept for an Innovation Center in Peoria.

Small Business Development

The city has been developing its small business program since 2005 and pride's itself as a regional partner in small business advocacy. Peoria's small business program is designed for businesses that fit into these categories:

- Fewer than 75 employees
- Home-based
- Start-ups

The small business program, as a whole, focuses on assisting Peoria small business owners with any needs or requests they might have to make their business more successful. The program also assists prospects looking to locate in the City of Peoria and provides customer service for business retention and expansion. As a regional partner, our small business educational seminars are offered to any small business owner that looks to improve their business.

The goal is to specifically address small business concerns and grow the small business community in Peoria. From January 1, 2013 through July 31, 2013, the following activities were pursued:

- Hosted 7 small business seminars on a variety of topics including: Peoria's business licensing/taxation, permitting/building process, How to improve cash flow, SRP tax rebates, NxLevel Entrepreneurship, Leveraging your localness, IRS taxation
 - Total of 89 attendees (does not include July 24th seminar)
 - Average attendance was 15 per event
- Worked with 15 prospects for business start-up/relocation
- Offered marketing assistance by creating small business videos to 5 businesses at their locations
- Small Business Outreach:

- Promote small business program at regional events:
 - GPS Spring Mixer, ASBA Small Business Conference & Expo
- Delivered/mailed information regarding Peoria's Small Business Program to 438 new and existing businesses
- Assisted 16 businesses owners

Workforce Development

The city has partnered with Maricopa Community Colleges, Maricopa Workforce Connections, and West-MEC to build a workforce development program focused on our business retention and business attraction efforts. Current activities include the following:

- Assessment of workforce needs based on interviews and surveys of existing Peoria businesses
- Job Fair (in collaboration with Peoria Chamber, Maricopa Workforce Connections, Goodwill of Central Arizona, MCC Small Business Development Center, Greater Phoenix SCORE, SBA, etc.)
- Participate in WESTMARC and West-MEC meetings regarding workforce development and economic development topics

The newest development is the addition of Trine University as a leader in technically-skilled workforce development.

Economic Development Implementation Strategy

Available One-time Funds: **\$2,753,908**

Current	<u>Project</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Year</u>	<u>Source</u>
	Bio Inspire Operating/Lease (Yrs 4-5)	\$ 3.302m	\$ 0.000m	\$3.302m	2015-16	½ Cent
	Huntington University	\$ 0.700m	\$ 0.000m	\$0.700m	2014-15	½ Cent
	College of St. Scholastica	\$ 0.925m	\$ 0.000m	\$0.925m	2014-15	½ Cent
	Peoria Sports Park*	\$30.000m	\$30.000m	\$0.000m	2015-34	MDA (1/2 Cent)
	P83 Improvements – Phase I	\$ 4.343m	\$ 4.343m	\$0.000m	2015	Gen, RTP, ½ Cent
	Total	\$39.270m	\$34.343m	\$4.927m		

* \$30 million = \$2.175m per year for 20 years

Upcoming	<u>Project</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>
	P83 Improvements – Phase 2	\$13.000m	\$0.000m	\$13.000m
	Blue Ocean Biomanufacturing*	Unknown	\$0.000m	Unknown
	Peoria Town Center**	Unknown	\$0.000m	Unknown
	Smittys***	Unknown	\$0.000m	Unknown
	Copper Cactus Distillery****	Unknown	\$0.000m	Unknown
Total	Total	\$13.000m	\$0.000m	\$13.000m+

* Pending receipt of proposal from prospect; ** Pending development request from property owner; *** Pending collaboration with CPLC; **** Pending negotiations between city and prospect

Future	<u>Project</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>
	Rovey Industrial Park	Unknown	\$0.000m	Unknown
	Goodwill Prop Re-Use	Unknown	\$0.000m	Unknown
Total	Total	Unknown	\$0.000m	Unknown

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Phase 2

Building Re-Use Implementation Strategy Final Report



FirstStrategic

300 West Clarendon Avenue, Suite 460

Phoenix, Arizona 85013

Phone: (602) 266-6565

www.firststrategic.com

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Introduction

The Building Re-Use Implementation Strategy Final Report provides the City of Peoria with a comprehensive, action oriented set of detailed and specific options, that if implemented will provide new economic activity for underutilized buildings in the City.

These options can also be utilized for buildings that become available in the City in the future. The final report will review the findings of Phase 1a, Phase 1b and Phase 1c of the study. The Final Report will outline overall economic development strategies that can be applied throughout the City, as well as used for the subject buildings. The Final Report will also provide specific recommendations for each building considered in the initial phases of the study and list the targeted industries with specific types of end users that would be likely for occupancy of those buildings.

The FirstStrategic team includes experts from PricewaterhouseCoopers, LLC (PwC), Velocity Retail Group, Blue Ocean Biomanufacturing (B-OCEAN), and AES Clean Technology, Inc. to provide the most comprehensive strategy possible. The Final Report will provide a conclusion that summarizes the overall findings of the study and review the policy options for possible acceptance by the City.

Review of Phase 1a: Economic Viability of Targeted Industries in Peoria

Phase 1a focused on the potential re-use of eight buildings in the City of Peoria, and the economic viability of attracting targeted industries to them. The report evaluated the strengths and weaknesses of the Peoria marketplace for attracting targeted industries to the buildings, the economic viability of Peoria as compared to competitive markets in the region and Metro Phoenix area, and the potential re-use possibilities of the buildings for targeted industries. In addition, this study suggests alternative re-use opportunities for buildings that are not compatible for targeted industries. The central focus of the report is how to re-use underutilized buildings in Peoria with a focus on targeted industries.

The report first concentrates on the economic viability of attracting targeted industries to Peoria. The following nine industries have been identified in the Economic Development Incentive and Investment Policy (EDIIP) as the targeted industries for the City of Peoria:

1. Advanced Business Services, including Data Centers
2. Advanced Manufacturing
3. Bioscience
4. Corporate or Divisional Headquarters
5. Healthcare
6. Research and Development
7. Alternative Energy
8. Telecommunications
9. Higher Education

The report conducts a strengths, weaknesses, opportunities and threats (SWOT) analysis of the aforementioned industries. Each industry SWOT analysis concludes with the likelihood of attracting targeted industries to the specific buildings under consideration. Peoria has specific strengths and advantages in attracting businesses from the following targeted industries:

- **Industry 1: Advanced Business Services**
- **Industry 2: Advanced Manufacturing**
- **Industry 3: Bioscience**
- **Industry 5: Healthcare**
- **Industry 7: Alternative Energy**
- **Industry 8: Telecommunications**
- **Industry 9: Higher Education**

These industries will be generally attracted to Peoria because city residents have the needed levels of education and affordability of the labor force in this marketplace. Additionally, the proximity to large markets and the accessibility of Peoria to transportation assets is also a key strength for the community.

The two industries that are much less likely to be possible candidates for building re-use require office type developments for current expansion rather than the buildings under consideration for this study. These two industries are:

- **Industry 4: Corporate or Divisional Headquarters**
- **Industry 6: Research and Development**

While both of these industries would have some interest in the advantages provided by the City of Peoria, the lack of current facilities makes it unlikely that Corporate or Divisional Headquarters and Research and Development industries will be interested in expanding to Peoria without significant infrastructure developments. In the near future these facilities may be developed but currently there is a lack of facilities readily available for these industries.

The report then analyzes the economic viability of Peoria compared to other markets in the United States and Metro Phoenix. As compared to similar cities in competitive regions of the country, Peoria's growing, well-educated and "high knowledge" workforce provides a distinct competitive advantage.

Peoria's low cost of living driven by a new and affordable housing market also provide benefits not found in most similarly situated communities nationwide. The lack of targeted industry clusters is a disadvantage for Peoria from a national perspective. However, being in Arizona with its low cost business environment in today's economic condition should overcome this disadvantage.

Competition among Metro Phoenix municipalities is intense. The established targeted industry clusters in the East Valley and the location of ASU's main campus are definite advantages to cities like Chandler and Gilbert. Overcoming those advantages will require a micro-targeted strategy and creative public policy solutions that are developed later in this report.

Next, the report examines the specific buildings under consideration and provides potential re-use opportunities for the targeted industries. The buildings under consideration for the report include:

- **Peoria Town Center (Former Wal-Mart and Zocalo Mall)**
Northwest Corner of Peoria and 83rd Avenue, Peoria, Arizona
- **Arrowhead 101 Business Park Building E**
8606 W. Ludlow Drive Building E, Peoria, Arizona
- **Arrowhead 101 Business Park Building F**
8679 W. Ludlow Drive Building F, Peoria Arizona
- **Olive Industrial Building**
8009 W. Olive Avenue, Peoria, Arizona
- **Seldon Industrial Building**
7733 W. Seldon Lane, Peoria, Arizona
- **Former Smitty's Building**
8455 Northwest Grand Avenue, Peoria, Arizona
- **Former Best Buy Building**
10134 W. Happy Valley Road, Peoria, Arizona
- **Goodwill Building**
8515 W. Grand Avenue, Peoria, Arizona

After reviewing the buildings under consideration for this study, it is clear that four of the buildings have the attributes to attract targeted industries and can be re-purposed for those uses. Those building include:

- **Peoria Town Center**
- **Arrowhead Business Park Building E**
- **Olive Industrial Building**
- **Seldon Industrial Building**

Unfortunately, four of the buildings are either not suitable for any current use and should be demolished or are best used for their current use as retail facilities.

Plans are currently being developed to demolish the Goodwill building and rebuild a retail facility on the current site. The owners of the Goodwill site are interested in developing a compatible use facility on the site when it is economically feasible. The former Best Buy building is perfectly situated for a new retail use and the owners of the development are confident that will be the case. Building F in the Arrowhead 101 Business Park has been leased for a retail client and will be generating local sales tax in that facility. The former Smitty's grocery store is not attractive for any potential commercial use, but has potential as an alternative use site. Phase 1b of this study thoroughly examines the buildings in depth and specifies the needs and strategies to make the buildings even more appealing to targeted industries.

Finally, this phase of the report uses Blue Ocean Biomanufacturing as an end user case study. One key element of the study is the in-depth economic modeling that was conducted around creating a new biomanufacturing cluster in Peoria.

Blue Ocean Biomanufacturing determined that there is a client base in Greater Phoenix and San Diego that will support a new generation of biomanufacturing. They further determined that their low cost approach to a sophisticated marketplace is suited for Peoria. Blue Ocean Biomanufacturing has already created a strategic partnership with TGen North and are working with other elements of the Translational Genomics Research Institute to develop additional strategic alignments.

In short, Phase 1a of this study demonstrates that Peoria is economically viable for attracting targeted industries to the City of Peoria. The analysis conducted finds that Peoria has the capacity to attract businesses from 7 of the 9 targeted industries and that 4 of the 8 buildings considered for re-use in the study can serve those businesses. A targeted industry site location criteria matrix shows how each of these 4 buildings rate among the 7 targeted industries, which can be found in Appendix A. This phase also found that Blue Ocean Biomanufacturing can be economically viable in Peoria serving as a biomanufacturing platform for Research and Development partners in Phoenix and can attract clients from the San Diego market.

Review of Phase 1b: Potential Re-Use of Specific Buildings

Phase 1b takes an in-depth look at the Brokers Opinion of Value for each of the buildings identified by the City, including completed Building/Site Assessment Forms, along with a strategy and recommendations for building re-use for each of the buildings under consideration for this project.

The buildings identified in Phase 1a have been extensively reviewed during this phase of the project in an effort to determine what will be necessary for the buildings to be re-purposed and utilized by targeted industries so they can return to being productive centers of economic opportunity for the community.

This report outlines the needs of the buildings, the costs necessary to make them attractive to targeted industries, and details strategies and recommendations to bring those buildings to that level. Several of the buildings in the study are not suitable for targeted industries and this report will outline potential alternative uses for those buildings to be utilized by non-targeted industries to create some kind of re-use for the building or property that was chosen by the City of Peoria for this study.

Below is a summary of the recommendations for each of the buildings. A more in depth analysis will be cited in the policy strategies section of this final report.

- Peoria Town Center
For the redevelopment of the Peoria Town Center to be successful, several significant enhancements will have to be done to the project. To attract targeted industry end users to the Peoria Town Center, it will require a development vision by the current owner, engagement and cooperation from the City of Peoria, and a public/private partnership to attract needed public sector funding for the project.
- Arrowhead Business Park Building E
This building is in excellent condition. The single biggest barrier to leasing the space for productive economic development use is the patience of the owner, the Mack Company. It is clear from the history of the building and the interview with the building owner that the Mack Company is waiting for a well-qualified, long-term tenant. Until that tenant is available this building will not be leased. The objective of this project is to find an end user that can be a well-qualified, long-term tenant. Blue Ocean Biomanufacturing is very interested in Building E. The building has the location, curb appeal, developed infrastructure, and nearby amenities for Blue Ocean Biomanufacturing to house a successful business.
- Olive Industrial Building
This building is an excellent facility. However, it has several challenges to overcome to be utilized by a targeted industry end user. The size of the industrial space makes it too large for a company graduating from the BioInspire incubator. The lack of sophisticated HVAC capacity and the lack of redundant power and fiber optic capacity also limits the use of the building for Biomanufacturing and data center uses. The location of the facility reduces the curb appeal of the building compared to other buildings in this study. Because of these considerations the

building may have potential for end users that are not targeted industries but have needs for office and warehouse capacity.

- Seldon Industrial Property

Currently the owner of the Seldon Industrial Building is in the final leasing negotiation with a tenant. The owner suggested that this is a positive situation for both the owner of the property and, ultimately, the City of Peoria and that the owner is not interested in participating in this study or process. However, should the building remain vacant the strategy for re-use of this building should center on the potential use of a BioInspire graduate expanding into this facility. The City has invested significantly in the medical device incubator and this building, with some assistance from the City or other public resources could be a successful next step facility for a growing company. The building also has potential for companies that provide installation and service in the alternative energy industry. In addition, the building has excellent proximity to Luke AFB and could be utilized for companies supporting the new F-35 fighter mission or for construction companies servicing Luke AFB.

- Former Smitty's Building

The most important element for re-purposing the former Smitty's Grocery Store property is the demolition of the current building. The current building is not usable by any tenant and the rehabilitation costs of the building are prohibitive. Once the building is demolished there are a variety of uses that could be accomplished with the property because of its proximity to Old Town, the U.S. Highway 60 and the 101 Freeway.

- Former Best Buy Building

The owner of the property, Vestar, is one of the largest owners of power centers in the Western U.S. The center is relatively new and the size of the vacant store is marketable in the current retail market. This property would not fall under the category of distressed retail that needs to discover alternative uses. Targeted industry use is not a possibility for this building with the exception of a very significant telecommunications retail store. However, the likelihood of that type of use is very low. The entire area of Northern Peoria is poised to allow for growth in the Northwest Valley and has a great deal of undeveloped land to work with in accordance with the City of Peoria's Master Plan. The potential residential and office growth in the area will be attractive to retail uses for the center. The building's highest and best use would be to continue as a retail facility positioned as the "end cap" of a line retail space in a successful power center in the growing northwest Valley. The City should continue to communicate with the owner and work on marketing strategies that will complement the development of the area and another significant retailer will occupy the space within 12-24 months.

- Goodwill Building

By demolishing an old building and building a new facility, Goodwill has provided an opportunity for the City's efforts to revitalize Old Town. The Goodwill property is adjacent to the former Smitty's Grocery Store and is across Grand Avenue from the Peoria Town Center. This new construction, along with the significant resources invested in streetscapes and the Peoria Center for the Performing Arts, can offer a catalyst for renewal of the Old Town Area. The addition of another new construction pad on the Goodwill Property also provides the opportunity for the City to work with the property owner to try to entice a targeted industry user to occupy the new building. This new construction replacing a 45-year old building should also have a positive influence on property values in Old Town and encourage other private investment.

Review of Phase 1c: Financial Assistance Programs

Phase 1c identifies public and private partnerships eligible for capital improvements needed to bring the buildings into compliance for occupancy by a targeted industry or alternative user and a review of public funding programs that are available to enhance economic development activity was conducted. For this phase, a complete inventory was taken of the private and public funding sources currently available to support activities of the targeted industries.

Meetings were conducted with other municipalities to see what funding programs they employ to renovate buildings, along with extensive research on monies for capital improvements. There are very few programs available specifically for building renovation. The only source the City could utilize in this effort is the Private Activity Bonds (PAB) Program. Private Activity Bonds are securities issued on behalf of a local government to provide debt financing for projects used most often by a private user. There are restrictions on what the bonds can be used on, but five of the nine targeted industries qualify under the PAB program: research and development, corporate headquarters, healthcare and higher education, along with manufacturing which is tax exempt.

The federal New Market Tax Credit Program was created to help revitalization efforts, which includes building repurposing, however only low-income communities are eligible, which most of Peoria is not. There is also the Community Development Block Grant (CDBG) program through the U.S. Department of Housing and Urban Development (HUD). CDBG funds from the State are used for community development activities, which include rehabilitation of public and private buildings, but with the states guidelines and the national objectives, the City would be hard pressed to qualify for a grant under this program.

Since there is a lack of funding opportunities specifically for building revitalization and renovation, other funding opportunities were researched that targeted industries could utilize and serve as incentives for them to come to Peoria. A matrix was created that identifies funding sources, both at the state and federal levels, and which targeted industries are eligible for each funding source. A chart follows the matrix as a descriptor of each funding source, along with eligibility and requirements. The matrix is a design tool for the City to have on hand in the future as prospective end users and targeted industries analyze financing for their projects. The matrix can be found in Appendix B.

Along with identifying current sources, this phase looked at other practices for the City to utilize and employ. It is the recommendation of this report that the City works aggressively with the Peoria Industrial Development Authority (PIDA) to help potential end users receive tax-exempt financing. This has been done in Chandler with the Chandler Industrial Development Authority (IDA) and has proven to be very successful. The Chandler IDA has helped fund significant and important projects to the City. For example, projects with Intel and South Bay Circuits, among many others have been developed through this concept. This not only serves as an incentive to existing businesses in the City, but will help entice

prospective businesses and end users in the targeted industries. The City of Peoria should examine this option, along with the other policy changes that are described in detail later in this report.

Phase 1cii was preparing funding applications for financial assistance on the buildings for targeted end users. As the case study, Blue Ocean Biomanufacturing submitted grant applications for this project. Currently, they have five applications in progress through the Arizona Commerce Authority; along with proposals submitted to the Economic Development Administration, UCLA-U19 Center of Excellence in Translational Research (CETR) for \$19.4 million and to TGen for \$4.8 million. A completed application by Blue Ocean, along with application forms, can be found in Appendix C.

Blue Ocean Biomanufacturing: Case Study

Blue Ocean Biomanufacturing has provided an end user case study through this entire building re-use study. They were extensively involved in Phase 1a, the Economic Viability study to determine if Peoria was capable of sustaining a new bioscience industry. The company reviewed all of the buildings and conducted thorough due diligence during Phase 1b to determine if any of the subject buildings would satisfy the needs of a biomanufacturing company. In Phase 1c, Blue Ocean participated in determining public funding opportunities that are available to end users and how the process unfolds. Appendix D specifically outlines their involvement in the project.

Blue Ocean Biomanufacturing has been a valued partner in every aspect of this report and assisted in the review of Peoria as a potential locale for their expansion.

Economic Viability

The Peoria marketplace has the customer base and the potential workforce to provide an outstanding opportunity for Blue Ocean to expand its operations. Peoria's close proximity to biomedical clusters in San Diego and Phoenix make it a geographically desirable location to open a biomanufacturing facility. San Diego is a five hour drive away, and as the analysis indicates, is home to a large pool of potential clients. While in Phoenix, there are a number of well-known institutional relationships that can strengthen and support the proposed biomanufacturing infrastructure including:

- Translational Genomics Research Institute (TGen)
- TGen Drug Development (TD2)
- Mayo Clinic
- Phoenix Children's Hospital
- Cancer Treatment Centers of America
- Banner/MD Anderson Cancer Center
- The University of Arizona Cancer Center

These Greater Phoenix based institutions are well known to the Peoria community. In addition to this significant base, the commercial potential in San Diego illustrates its large pool of innovative, emerging drug development companies and a robust venture capital community. For a biomanufacturing industry to be successfully created in Peoria, the close proximity to San Diego's biotechnology market sector could be used to form business relationships with biotech companies that require biomanufacturing strategy development and capabilities. The market analysis of the San Diego biotech industry segment illustrates not only a significant demand for biotechnology manufacturing, but highlights macro-economic drivers suggesting a willingness by corporate executives to explore associations outside of the San Diego cluster - in Peoria, Arizona.

In a recent survey by the California Health Institute, a select group of California biotech CEO's were asked if they expected manufacturing activity to expand outside of California. Fifty-six percent of CEO's are anticipating this to be the case. A major reason given was the increasingly more stringent California

regulatory manufacturing atmosphere¹, but surprisingly a lack of innovation and reduced R&D funding within the state of California were also noted².

Being geographically well positioned between the biomedical clusters of Phoenix and San Diego with a reasonable cost structure does create the opportunity for success. The analysis of the San Diego market indicates that for Blue Ocean, one of the potential pioneers in bringing biomanufacturing to Peoria, 66% of the companies located in San Diego are emerging, young organizations with a need for cost effective biomanufacturing. Additionally, there is a robust venture capital market in San Diego funding the development of these companies and their innovative medicines. These two aspects, active drug development and capital, essentially indicate there is demand for biomanufacturing.

On the cost prospective, our analysis indicates that deploying a modular FlexFactory™ could be accomplished in a cost effective manner and have the ability to create between 40 and 50 new jobs. The “middle skilled” workers could be recruited from the current regional workforce, with additional skills learned by attending hands on workshops at Worcester Polytechnic Institute’s biomanufacturing and Education Training Center. Therefore, from a talent and investment perspective, a supply of biomanufacturing can be created in a cost effective manner.

The conclusion of the economic viability analysis indicates that both supply and demand opportunities exist. Therefore, realistic plans to develop a public private partnership to fund the creation of biomanufacturing capacity in Peoria are an economically viable prospect.

Building Re-Use Viability

Blue Ocean Biomanufacturing reviewed each building in the study. There was an initial visit to scope each building. Once the buildings were scoped for potential viability a more extensive study was conducted to determine which buildings were under final consideration. The Arrowhead 101 Business Park, Peoria Town Center and the Olive Industrial Building were more extensively analyzed. This element of the Case Study provided our team with valuable insights as to how end users would view the buildings.

Arrowhead 101 Business Park Building E was selected as the most desirable location for the project. The curb appeal for both potential customers and regulators was critically important. In addition the building was well constructed and had significant HVAC capacity as well as redundant electric power supplies. The building also has an experienced property manager as an owner.

Blue Ocean Biomanufacturing was intrigued by the possibilities of Peoria Town Center. The space has infinite options for development. They appreciate the City of Peoria’s desire to redevelop the center and that was the most significant attribute for the building. The concern with the property management experience of the owner and his lack of interest with a known development company were the most significant reasons for not choosing Peoria Town Center. Blue Ocean Biomanufacturing provided

¹ <http://www.northbaybusinessjournal.com/18694/commentary-regulation-is-killing-california-manufacturing/>

² http://www.chi.org/uploadedfiles/report2012/2012_CalBiomed_ChartPak_FINAL_powerpoint.pdf

valuable insights and instruction on how to develop a strategy for the building that will counter these liabilities.

The Olive Industrial Building is precisely the right size building for Blue Ocean Biomanufacturing. However, the lack of curb appeal, location and the lack of significant HVAC in the industrial section of the building significantly reduced the practicability of the building for their purposes. This information is also helpful in developing a strategy for the Olive Industrial Building.

Public Funding Opportunities

Blue Ocean has provided an outstanding opportunity to determine an extensive list of programs that are available to attract end users to underutilized buildings. FirstStrategic, Blue Ocean Biomanufacturing and PricewaterhouseCoppers have identified an extensive list of programs available from the Federal Government, the State of Arizona, Maricopa County and the City of Peoria that can assist with attracting Blue Ocean Biomanufacturing to Peoria.

We have developed specific policy recommendations for this report based on the development of applications for funding opportunities. The Blue Ocean Biomanufacturing Case Study is a real time process that will enable the City to enhance its ability to process and win critical federal and state assistance for companies in the future. Attracting additional federal and state funding to the City will leverage local resources and enhance economic growth and job creation.

Blue Ocean Biomanufacturing Final Determination

Blue Ocean Biomanufacturing will work with the City of Peoria to create a Development Agreement to expand their business in the City. They have begun developing the potential funding stack that will be necessary to make a \$20,000,000 investment in the City. The new biomanufacturing facility will employ 40-50 people and create the opportunity to accelerate a new biomanufacturing industry in the City that has a 10x economic impact over the next decade. Blue Ocean Biomanufacturing will now begin working directly with the City to finalize the project.

Economic Development Strategies For Building Re-Use

The goals of the City of Peoria's economic development strategy is to diversify the economic base of the community and to encourage the development of jobs that will enable its well-educated, affluent citizens economic opportunities that do not require them to commute outside of the community to find meaningful employment. The City currently has a strong economic base in the restaurant and hotel industry, retail sales and has a growing healthcare industry. The goals of the economic development strategy are to attract additional targeted industries to the community. Peoria has a distinct advantage over other competitive communities in the metropolitan Phoenix area. Peoria has ample room to develop new employment centers in areas that have not yet been developed and can plan for targeted industry expansion in a meaningful way. While this study does not consider opportunities in undeveloped areas and is focused on repurposing underutilized facilities in the City, the strategies outlined in this section can be also be utilized for developing new projects on undeveloped land in the City. The following strategies will help focus the economic development efforts on four specific areas and provide a broader context to the specific building re-use recommendations that follow.

BIOMANUFACTURING STRATEGY

Currently there is no significant biomanufacturing cluster in the Phoenix metropolitan area. While there are significant research and development efforts associated with bioscience, the manufacturing of the resulting products has not matured in the area. The City of Peoria has a robust healthcare industry but has very limited bioscience activity. Phase 1a of this study suggests that the bioscience industry and specifically biomanufacturing has an outstanding opportunity to flourish in the City. The challenge with starting an industry and creating a cluster is that without some initial activity it is very difficult to attract more mature companies to the community.

A decade ago the greater Phoenix metropolitan area was in a similar situation with bioscience. The community did not have a significant presence in the bioscience research and development sector. The community determined that the lack of a robust bioscience footprint was detrimental to the economic health of the region. The Flinn Foundation funded an effort to develop a specific strategy to attract bioscience research and development. The "Bioscience Road Map" offered a specific plan to establish a bioscience presence in the community. The result of that strategic plan was the establishment of the Translational Genomics Research Institute (TGen) in downtown Phoenix. TGen was created as a Public Private Partnership utilizing a variety of creative funding tools and has grown to be one of the nation's leading translational genomic research entities. TGen has created economic opportunity throughout Arizona and has resulted in a significant return on investment for the state's economy. Peoria is poised to be the next recipient of this return on investment from TGen.

During the development of this study, FirstStrategic partnered with Blue Ocean Biomanufacturing to understand the specific needs of end users who may repurpose underutilized facilities. The Blue Ocean Case Study has provided detailed analysis of the overall economic viability of the community as well as provided examples of what needs to be accomplished to repurpose the buildings considered in the study. After significant due diligence, Blue Ocean Biomanufacturing intends on locating a facility in one of the underutilized buildings under consideration in this study. In addition to utilizing space in a building, Blue Ocean Biomanufacturing offers a significant growth opportunity in the biomanufacturing

industry. The Blue Ocean Biomanufacturing Accelerator Strategy provides for the acceleration of additional biomanufacturing in the immediate region.

As described in the Blue Ocean Case Study, Blue Ocean Biomanufacturing will be working on several potential bioscience therapies at the same time. Blue Ocean will be manufacturing these therapies during the clinical trials and once these therapies are approved the manufacturing process will need to be expanded to produce the product on a much more significant scale. Blue Ocean will serve as a biomanufacturing accelerator for the City. The new manufacturing needs will require additional production facilities, trained and well paid employees and capital investment. Just as Blue Ocean Biomanufacturing is attracted to Peoria because of the close proximity to the research and development of these therapies, the new manufacturing facilities will want to stay close to the facility that first manufactured the product.

Analysis of the potential economic impact of developing a biomanufacturing accelerator in Peoria can have a tenfold economic impact for the City. By developing the Blue Ocean Biomanufacturing facility in Peoria, the City becomes the potential host for several biomanufacturing facilities providing hundreds of new highly educated well-paid jobs in the community. This strategy is now being employed by the City of Worcester, Massachusetts and could be utilized by other communities in the Southwestern U.S. to encourage development of the next phase biomanufacturing. However, without this strategy the prospect of developing a biomanufacturing footprint in the City currently does not exist.

The Biomanufacturing Strategy is centered on establishing the Blue Ocean Biomanufacturing Accelerator in the City. Blue Ocean is working with the City to develop a Public Private Partnership to attract the accelerator to the City. This Public Private Partnership involves multiple funding sources including funding from; the Arizona Commerce Authority, Maricopa County Industrial Development Authority, the U.S. Department of Commerce Economic Development Agency, the City of Peoria and private investors. As part of this study, the applications for funding from public entities are included in Appendix B: Phase 1cii. This Public Private Partnership will be developed to fund capital costs as well as employee training and facility acquisition.

Typically as part of a Public Private Partnership a non-profit entity is established to manage grant monies and apply for additional public resources. Peoria does not currently have a non-profit economic development entity created to serve this vital role. We recommend that the City work with Blue Ocean to develop a biomanufacturing accelerator non-profit that can assist with the establishment of a biomanufacturing cluster in the City.

The development of a Biomanufacturing cluster in the City of Peoria will provide the potential for hundreds of well-paying jobs, the repurposing of underutilized facilities and firmly establish Peoria as a prime location on the Bioscience Roadmap.

Biomanufacturing Strategy Recommendations

- 1. Attract Blue Ocean Biomanufacturing Accelerator to Peoria.***
- 2. Develop and fund Public Private Partnership that will enable biomanufacturing accelerator to become established.***
- 3. Engage Peoria Industrial Development Authority to assist with future projects.***
- 4. Work with Blue Ocean Biomanufacturing to establish biomanufacturing accelerator non-profit.***

MEDICAL DEVICE MANUFACTURING STRATEGY

A previous recommendation of the Peoria Economic Development Implementation Strategy was to create a business incubator. This recommendation was adopted with the creation of the BioInspire Medical Devices Incubator in 2012. The incubator has been established in large measure by the investment of the City and is currently serving five start-up companies. One of the goals of the BioInspire incubator is to establish a medical device manufacturing cluster in the City of Peoria. Currently there is no significant medical device manufacturing cluster in metropolitan Phoenix.

The BioInspire incubator is providing the business environment for five companies to mature and eventually graduate into a more significant manufacturing facility located somewhere in the City. One of the project partners, The Plaza Company, hosts the incubator facility; however the healthcare campus that the incubator is located is not zoned for manufacturing. As companies mature in the incubator and graduate there will be a demand for small medical device manufacturing facilities. Currently, within the City there are limited options for these companies.

An extension of the incubator strategy should be the development of small manufacturing facilities that can be utilized by companies that are graduating from BioInspire or other incubators located in the metropolitan area. The City should work with BioInspire to create a next step relocation plan for incubator graduates. Furthermore, the City should work with underutilized facilities to develop a common use facility that can house small but growing companies. These facilities have the potential to create industry clusters in a community and provide manufacturing, managerial, research and development and potential company headquarters jobs in the City.

Developing a centralized facility of this type will require working with a building owner who appreciates the concept of shared infrastructure and has a facility that does not have immediate tenant appeal. Three of the buildings under consideration in this study would be appropriate for this strategy.

There are two tactics that can be applied to facilitate this strategy. The first tactic is to work with the building owner to develop the space necessary to accommodate small growing manufacturers. The building owner would develop common spaces such as loading docks for materials receiving and product delivery and common laboratory or other research and development space. The manufacturing spaces would be developed around these common services and be leased to potential users by the building owner.

A second tactic to accomplish this expanded shared space concept is for a non-profit entity to be the master lease holder of the entire space and provide the facilities to the BioInspire graduates. This recommended non-profit entity could be BioInspire, the non-profit that was previously described in the Biomanufacturing Strategy or the Old Town Redevelopment Corporation that is described in the next section of this report. This non-profit entity could then serve as a master lease holder for a larger space in a building like the Peoria Town Center or be a single tenant in a building like the Olive or Seldon Industrial Buildings. The non-profit would negotiate with the building owner to develop a master lease. The tenant improvements would be built into the master lease so that as the space was leased to appropriate end users and the tenant improvements would be developed as needed for the sub-lease tenant.

The potential needed square footage for this concept would be approximately 20,000 to 40,000 square foot. The potential job creation for this concept will be determined based on the needs of the incubated company.

Medical Device Manufacturing Strategy Recommendations

- 1. The City should work with BioInspire to create a next step relocation plan for incubator graduates.**
- 2. Develop small manufacturing facilities that can be utilized by companies that are graduating from the BioInspire or other incubators located in the metropolitan area.**
- 3. City should work with underutilized facilities to develop a common use facility that can house small but growing companies.**
- 4. Work with building owners to determine willingness to develop facilities.**
- 5. Develop or utilize existing non-profit to serve as master lease holder for incubator next step phase.**

HIGHER EDUCATION STRATEGY

In 2010, the City of Peoria commissioned the Peoria Higher Education Study: Market and Feasibility Analysis. This study's conclusion suggested that Peoria was a strong candidate for higher education expansion.

"The City of Peoria is ideally situated within a dynamic trade area of 3.1 million people. In addition to the 4.0 percent annualized growth rate for Peoria, the trade area also grew by 2.8 percent annually. Colleges looking to expand examine an area's demographics, population growth, employment concentrations and existing curriculum as a starting point in selecting new locations. Based on the average response, higher education institutions that desire to expand are interested in a market area of at least 850,000 people, which Peoria can easily meet."

The City has utilized this study and has been working to attract higher education uses within the City. Higher education is also a priority of the Economic Development Implementation Strategy (EDIS). We believe that higher education uses should continue to be a priority and that higher education end users should be targeted for the Peoria Town Center as part of this study. It is clear through Peoria's targeted industry strategy that in the long term the development of a more robust higher education interface with Peoria will be essential in both the recruitment of a targeted industry and with providing a necessary training component and quality of life opportunity within the City.

The City is working with a potential end user that is interested in Peoria Town Center and additionally, as part of this study, FirstStrategic has targeted additional potential higher education end users for the project. As described in more detail later in the Final Report, Peoria Town Center is appropriately located and has a motivated owner who also is committed to attracting a higher education tenant.

Building on the success of attracting Trine University to the City of Peoria is a critical element to expanding the higher education strategy. Trine University's expansion in Peoria demonstrates the attractiveness of the community and region for expansion of Colleges and Universities. Continuing this momentum will be important. Utilizing the City's economic development funding options to attract the next University should be a priority.

Developing an aggressive marketing campaign to other Colleges and Universities should continue to be a priority. Consistently reaching out to targeted institutions of higher education to communicate with them about the opportunities that currently exist in Peoria, along with the potential market niches for their services as applied to the economic development strategy of the City. Their potential location opportunities will be important to building on the momentum of the City's successes.

Higher Education Strategy Recommendations

- 1. Target higher education end users to utilize economic development funding options.***
- 2. Refresh list of potential colleges and universities that are considering expansion.***
- 3. Develop aggressive marketing campaign that consistently communicates with potential colleges and universities that are interested in expansion.***

ADVANCED MANUFACTURING STRATEGY

Both the State of Arizona and the City of Peoria have placed Advanced Manufacturing at the top of the priority list of targeted industries for attraction. Peoria and the State of Arizona teamed up to attract Maxwell Technologies to the Arrowhead 101 Business Park. By prevailing in a national search, Peoria proved that it has the workforce, business climate, available resources, proximity to markets and the political will to be highly competitive in the advanced manufacturing space.

Utilizing the same approach for future advanced manufacturing end users is critical to attracting additional companies. Continuing to work closely with GPEC and the Arizona Commerce Authority will be critical for company lead development. As GPEC continues to market in the California market it is very important that Peoria leadership is a significant part of that marketing effort. The Mayor and Council must be involved directly in efforts to convince Southern California companies to look to the West Valley as realistic alternatives to California expansion.

During the course of this study we have met with GPEC and ACA leadership and they consistently encourage involvement of the Mayor and Council in efforts to attract new businesses to Arizona. The recruitment of Maxwell Technologies demonstrates that these hands on efforts will provide new opportunities. The City of Mesa has had significant success by engaging the Mayor directly in economic development efforts.

Every Economic Development organization is trying to attract advanced manufacturing to its communities. Quite frankly, the most effective strategy in an ultra-competitive environment is to "out plan and out work" the competition.

Policy Strategies For Building Re-Use

To attain the economic development goals of the City and to successfully repurpose the underutilized buildings that are part of this study it would be helpful for the City to adopt several policy recommendations. These policy recommendations will assist with the particular projects under consideration for this study and can be utilized in the future as additional projects become available. The four major recommendations follow.

Creation of Old Town Redevelopment Corporation

A significant economic development tool for the City of Peoria would be the development of a Redevelopment Corporation or Commission. The Economic Development Implementation Strategy (EDIS) suggests that a Redevelopment Corporation focused on Old Town would be helpful to focus development projects in that area of the City. By developing a redevelopment corporation or commission the City would be able to add an organization that was singularly focused on redevelopment of areas and facilities that are under performing in the City.

The City of Peoria has expended significant resources on the redevelopment of Old Town. However, the City does not have a specific organization that is a central focus for redevelopment and special events in the area. By creating an organization with the unique focus on redevelopment, the economic development department would have an ally for engaging community engagement in the historic core of the community.

Additionally, a redevelopment corporation would have the ability to apply for specific federal and state grants that could partner with other non-profits to maximize redevelopment efforts. This independent fiduciary is essential in reaching Peoria's objectives. These grants and partnerships would provide supplemental funding for economic development activities in the community. The organization could also assist with major events that occur in the Old Town Area that provide positive exposure for the historic core of the City.

Other communities have utilized this tool effectively. The City of Gilbert has a Redevelopment Commission that is an official organization of the City and is allowed by Arizona Revised Statutes, Title 36 Chapter 12, Article 1. The Gilbert Redevelopment Commission provides focus to the redevelopment of older areas of the community and has been successful in revitalization efforts. The City of Chandler has encouraged the creation of a non-profit called the Downtown Chandler Community Partnership. This organization was developed as an independent non-profit under Section 501(c)6 of the IRS code. These organizations have provided additional focus and attention for the historic areas in their respective communities and we believe it would be an important economic development tool for the City of Peoria.

Utilization of Peoria IDA Bonding Program

The City of Peoria lists its Industrial Development Authority as an economic development tool. The website describes the authority as:

The Peoria Industrial Development Authority provides tax-exempt financing through industrial revenue bonds for the financing or refinancing of the cost of acquisition, construction, improvement, rehabilitation or equipping of a project.

Generally speaking, the proceeds of the bonds can be used for either the purchase or lease of land, buildings, machinery or equipment which is suitable for:

- *Manufacturing, processing, or assembling of manufactured or agricultural products.*
- *Storing, warehousing, distributing, or selling of industrial, agricultural, or mining products, or research and development.*
- *Buildings that serve as company headquarters or regional offices.*
- *Adaptive reuse for offices of buildings listed on the National Register of Historic Places.*
- *Rehabilitation of residential buildings located in a registered historic neighborhood.*
- *Healthcare institutions as defined in Arizona Revised Statutes.*
- *Educational institutions operated by a nonprofit organization which is nationally accredited and not funded by state monies.*
- *Multifamily rental housing, with portion reserved for low and moderate income persons.*
- *Air or water pollution control facilities.*
- *Facilities for airports, mass commuting, parking, storage, or related training.*³

The described uses align with the economic development goals of the City. Efforts have been made to engage the Peoria IDA with the economic development department but those efforts have not provided any recent projects. The economic development department should continue to utilize the Peoria IDA as a potential funding source for economic development projects. We recommend that the City Council encourage the Peoria IDA to focus on projects that encourage redevelopment and re-use or repurposing of underutilized facilities. This focus can be citywide or in specific redevelopment districts. The City Council encouragement through official action will engage the Peoria IDA to play a more active role in revitalization efforts.

Voluntary Demolition Program

One of the most difficult challenges for the City of Peoria is how to repurpose buildings that are in significant disrepair within the City. One persistent challenge has been what should be done if a building is not re-usable. The City of Chandler has adopted a voluntary program for the demolition of blighted houses that has had significant success. Chandler offers 75% of the cost of demolition to property owners who own blighted property. Chandler's program applies to residential structures and utilizes Community Block Grants from the federal government as a funding source.

Utilizing the powers granted by the State of Arizona in Arizona Revised Statutes Title 36, Chapter 12, Article 3, we recommend that the City consider adopting a similar program for commercial buildings in a

³ http://www.peoriaed.com/ED_Secondary.aspx?id=50165

limited geographic area along Grand Avenue. The City of Peoria is facing a unique problem. Grand Avenue is one of the major entrances to the City. The commercial buildings along Grand Avenue do not present the image of a dynamic growing commercial center. The buildings along Grand Avenue need to be demolished so that they do not continue to be vacant illustrations of times that have passed the City by.

We recommend that the City of Peoria work with owners of blighted property along the Grand Avenue corridor to determine what level of financial support would entice them to demolish buildings that are not usable for commercial activity. The City should consider input from the property owners and then establish a program that would encourage the demolition of derelict buildings along Grand Avenue. The increase in value for the surrounding property would be a benefit to City residents and could possibly recoup the cost of demolition with the increased property value of City holdings in the area.

Expedited Permitting Process

The EDIS recommends improving permitting processes to encourage economic development. Since the EDIS was published the City has improved the permitting process. However, other competitive communities in Metropolitan Phoenix have made significant improvements in their permitting process. The City of Phoenix is marketing same day permitting or “self-certification” for building and civil engineering plans. This process is attractive to businesses that are interested in quickly moving into an area and are ready to begin work. The City of Peoria should continue to develop the most efficient permitting process possible which will provide a distinct competitive advantage over other similarly situated Cities in the metro area.

Specific Building Strategies For Building Re-Use

Old Town Building Re-Use Strategy

Three of the subject buildings in the study are located within the Specific Planning Area of Old Town Peoria. The Goodwill Building, the former Smitty's grocery store and the Peoria Town Center, are located in the Old Town area. We recommend that these buildings be considered as a core redevelopment opportunity and have developed a strategy that will build on the current redevelopment plans and turn that momentum into positive revitalization of the Central District of Old Town.

The City of Peoria has expended significant resources to bring new luster to Old Town Peoria. The City has spent \$80 million on new streetscapes, \$17 million on the Peoria Center for the Performing Arts, and developed a state of the art City Civic Plaza just south of Old Town. These positive actions coupled with the redevelopment of the Goodwill property will create additional value for the redevelopment of the former Smitty's property and the repurposing of the Peoria Town Center.

During the development of this report it was discovered that there are plans to demolish and rebuild the Goodwill Building in Old Town Peoria. This private market effort will also create a 5 acre pad for an additional new building in Old Town. In addition to making available an additional 5 acre pad for a build to suit building, the private market redevelopment of the Goodwill property will provide a catalyst for efforts to re-use the two remaining subject properties in Old Town.

To enhance the momentum created by the redevelopment of the Goodwill Building, we recommend that the City consider the creation of an Old Town Peoria Redevelopment Corporation and better utilize the official Old Town Peoria Revitalization and Specific Plans that were approved by the City Council. These development tools could benefit the repurposing efforts of these three underutilized sites by demonstrating a renewed commitment to the revitalization of Old Town.

The creation of an Old Town Peoria Redevelopment Corporation would establish a non-profit organization that can apply for and accept public sector grants. Currently the City of Peoria is the main entity that can manage grant applications and the funding associated with the grants. Creating a Redevelopment Corporation will take staff time and effort and continued City Council support for Old Town. During the Blue Ocean End User Case Study it was determined that a Redevelopment Corporation could be a useful tool that would benefit and be an additional marketing opportunity to attract end users. The end result of creating a Redevelopment Corporation will demonstrate the City's continued commitment to the revitalization of Old Town and provide an economic development tool to supplement City funding in Old Town.

In addition to creating a Redevelopment Corporation the City should emphasize the extensive planning work that has been carried out since 2009 in the Old Town Peoria area. Two significant efforts have been carried out since 2009. The Old Town Peoria Revitalization Plan and the Old Town Specific Area Plan have been conducted and approved by the City Council in an effort to bring structure to the development of Old Town. Both plans call for a more walkable, transit oriented urban core with a mix of residential, retail, office, higher education and light industrial activity. These documents provide the vision of a vibrant urban center and are valuable tools to help market the underutilized buildings that are the subject of this study.

We recommend that the three subject buildings in the study be considered a sequential redevelopment opportunity. The Goodwill building, demolition and reconstruction will provide the first movement in the sequence. This activity should be embraced and celebrated by the City as a significant step in the revitalization process. The next step should be the demolition of the former Smitty's building. Once the building is demolished we will outline additional actions that can be taken to further develop the property. The act of eliminating the building from Old Town will signal an additional positive action in the revitalization of the area and will create a positive development atmosphere for further activity. The third action that will demonstrate positive economic changes for Old Town is the redevelopment of Peoria Town Center. These three sequential actions will provide significant progress for the Old Town area of Peoria.

GOODWILL BUILDING

The Goodwill Building offers significant momentum for revitalization. The subject property is a freestanding big box that is currently owned and occupied by Goodwill Industries of Central Arizona. The Goodwill building is 84,147 SF. The subject building was formerly a K-Mart that was vacated after K-Mart's bankruptcy. Goodwill leased the property after K-Mart vacated and then purchased the property in 2003.

The building was built in 1975 and is currently scheduled to be torn down at some point in the future. A new building will be built as a build-to-suit for Goodwill Industries of Central Arizona. Goodwill has decided to sell the property to a developer and is in negotiations with that developer to build a new store on four of the nine acres. This would leave the developer owning an additional five acres that could support a future spec building or build-to-suit for the new tenant.

The construction of a new building for retail use by Goodwill Industries will replace a 45 year old building with a new modern facility built by an excellent developer. The new construction will also provide a 5 acre pad for a new building on the site. We recommend that the City work with the Mack Company to attract a targeted industry for the new building.

We also recommend that the City work closely with the Mack Company so that they understand the goals of the Old Town Specific Area Plan. The Plan designates the land use for the property as Flex Mixed Use. The Plan defines Flex Mixed Use as:

The purpose of this land use category is to facilitate the development of amenities that are a regional draw. Specific facilities may include entertainment, hospitality, convention, and/or higher education land uses. Additional uses should be developed, such as hotel, retail, and restaurant uses that would support the "regional amenities" and support offices and the Performing Arts Center in Old Town.

Buildings in this category will likely have large footprints and in some areas may be up to 100 feet in height (typically 8 stories) to accommodate hotels and/or other significant uses. Strong visual and pedestrian-oriented connections should be made between the uses in this land use category. Development at the edges of this category shall be designed to relate appropriately to less intense uses/land use designations, particularly adjacent residential uses.

The only targeted industry in this category of land use is higher education. This land use category should be amended to include health care and office as other targeted industry uses for the property. While the Specific Area Plan offers goals for development, by amending the uses in the plan the City will be offering more flexibility, direction and encouragement for the private market to attract targeted industries.

Again, we recommend the City consider creating an Old Town Redevelopment Corporation. A redevelopment corporation can provide a centralized focus for redevelopment and can assist with applying for and accepting public sector funding for development projects. This is a valuable tool for assisting Old Town revitalization and creates valuable leverage for encouragement of the private market to attract targeted industries.

Specific Recommendations for Goodwill Property

- 1. City to work with the Mack Company to attract targeted industry to new building location.***
- 2. City to explain to Mack Company the goals and requirements of the Old Town Specific Area Plan.***
- 3. City to consider creating an Old Town Redevelopment Corporation.***

FORMER SMITTY'S BUILDING

The subject property is a 91,490 square foot retail center comprised of a freestanding big box and small retail shops. The subject building is a 73,383 square foot building that was formerly a Smitty's grocery store and was most recently occupied by various clothing retailers. The property was developed and built in 1973 and is currently 100% vacant. Previous tenants that have occupied the property include Smitty's and clothing retailers.

The building is located immediately across from the new \$17 million Peoria Center for the Performing Arts. It is an anchor property in Old Town Peoria. The City of Peoria has invested \$80 million to improve the landscape and streetscape including infrastructure improvements to the Old Town area. The City is planning to take advantage of a multi-modal plan to build an Old Town transit center in the near vicinity.

The former Smitty's building has been vacant for at least the past seven years. The lender foreclosed on the property and has appointed a receiver, Case Huff and Associates. The receiver is an officer of the court and is actively seeking offers for the property.

From the detailed review of the building we believe that the building has little or no value in its current condition. The property is a problem for the City's police and fire departments, both having made calls to the property in the last 12 months. Homeless people have taken up residency in the property, raising concerns of the police department and have destroyed the interior of the building. The building has been vandalized and looted of its electric infrastructure. The interior condition of the building is completely uninhabitable and would require considerable expense to bring up to code.

The engineers retained by this study believe that the 40-year old age of the building, the amount of structural damage to the building, and the significant degradation to the infrastructure of the building make demolition of the building the most practical use of the property.

As part of this study we requested an estimate for demolition of the building and that estimate is just under \$500,000 to demolish the existing facility and deal with the asbestos that currently exists in the building. We have estimated the value of the property with the building to be approximately \$1 million.

Demolition of the Site

The former Smitty's Building is a significant problem for Old Town Revitalization. The building is of virtually no use in its current condition. The property is a center piece property at the gateway of Old Town. It currently sends a message that Old Town Peoria is not improving. Thousands of cars pass by each day on Grand Avenue and witness a deteriorating vacant building with no activity.

Demolition of the building would significantly improve Old Town Peoria. By demolishing the building property values would increase in the surrounding neighborhood and the value of the Smitty's property would likewise increase in value. A vacant lot would improve the view shed of Old Town and it may inspire the private market to reevaluate the value of the parcel.

The cost of demolition has been estimated at \$500,000 according to this study. The site requires asbestos mitigation and that has been considered in the estimate for demolition. The City should encourage the current owner to demolish the building. Considering the current ownership disposition of the building it is unlikely that the receivers will incur any additional expenses for the building.

Creative options should be employed if possible to demolish the building. The City of Chandler instituted a Voluntary Demolition Program for residential properties in 2012. The program uses Community Block Grant funding to pay for 75% of homes that are qualified for the program. One concern of the Chandler program is that by using federal grant funding the program is cumbersome and the timelines are long. The City of Peoria could institute a similar program for commercial buildings. The City could use similar federal funds or could utilize City resources for the program to streamline the process. By assisting in the demolition cost the tear down of the building may be expedited.

City Purchase of the Property

If the City is not able to encourage the current owner of the building to demolish the building, the City should consider purchasing the property and demolishing the building. The City of Peoria has available resources for banking land. This property would be a valuable target for City acquisition. The property is immediately across the street from the Peoria Center for the Performing Arts and it is within the Old Town Peoria area where the City has invested in significant streetscape improvements. The property is near the Civic Plaza and the Peoria Place development in the Cotton Crossing area that has been considered for multiple projects including a University Campus. In addition, the Goodwill building is going to be replaced by a new building enabling an additional 5-acre pad to be developed. By acquiring the subject property the City can leverage that asset for the exact kind of development that it desires for the enhancement of Old Town Peoria. The findings of this study place a value of the property at just under \$1 million.

The property may be encumbered with liens and outstanding loans that may make the purchase by the City seem difficult and not financially advisable. If this is the case we recommend that the City work with an experienced developer to negotiate a more reasonable price for the City. As part of this study our team has discussed this option with one developer who is interested in assisting the City on this project.

Once the City has acquired the property and demolished the building, the City can use the property as an asset to attract the kind of development the City desires for compatibility with its plans for Old Town Peoria. The City can then use this asset to sell to a developer at attractive terms that will improve the development potential of the property. The City could also continue to own the land and lease the property to a developer and utilize economic development tools such as GPLET tax benefits that will make the project more attractive for development. These options can greatly enhance the economic potential of the property and re-purpose the property in a positive way.

Determining Appropriate Use for Property

The City of Peoria will need to determine the appropriate use for the property. This does not have to be completed immediately because the clearing of the property alone will add value to Old Town Peoria. As part of this study we have considered a variety of uses for the property. It is unlikely that large scale retail is a realistic option for the property. The more likely market demand for the property is for higher density residential. Because of the property's proximity to a future multi-modal transportation center, its proximity to the Civic Plaza and the associated municipal jobs in the immediate area, and its location in the Old Town area, the property may be best suited for higher density workforce housing with mixed retail development. This use would add to the vibrancy of Old Town and would be an attractive element for the re-purposing of the Peoria Town Center and the future development of the new construction pad on the Goodwill property and the Peoria Place development area nearby. Other uses could include office buildings with limited retail.

The Old Town Specific Area Plan designated the area as Flex Mixed Use. This designation does not include residential. However, the properties adjacent to the property have mixed retail and residential uses planned. We recommend reviewing the designation from the Old Town Specific Plan and consider amending the planning designation. The Specific Area Plan designation may be in competition with the P83 project concepts and by amending the designation of the former Smitty's property could create a more compatible use for the City.

We would not recommend an industrial use such as advanced manufacturing for the property. A healthcare use is probably unlikely because of the significant healthcare cluster in the Thunderbird corridor, and other targeted industry uses are also unlikely for the property.

Attracting a developer that is committed to the revitalization planning that the City has undertaken for Old Town will be critically important for the successful repurposing of this property. As part of the scope of this project we have discussed the potential redevelopment of the former Smitty's property with an urban infill developer. There is significant interest in working with the City by this developer. In addition there are additional urban infill developers in the Metropolitan Phoenix area that may be interested in the project. Prior to engaging additional end users it will be important for the City to determine its next steps with the project.

Specific Recommendations for Former Smitty's Building

- 1. Encourage owner to demolish building.***
- 2. Consider creating policy to incentivize demolition of blighted buildings.***
- 3. Consider purchasing former Smitty's property.***
- 4. Work with private sector entity to negotiate purchase of former Smitty's property.***
- 5. Determine highest and best use for the property.***

6. *Analysis suggests that higher density residential with mixed retail would accomplish City planning goals.*
 7. *Work with end user to develop property.*
-

PEORIA TOWN CENTER

The subject property is located within Peoria Town Center, a 172,831 square foot retail center comprised of two big boxes, strip shops, and an outparcel. The two big boxes are owned by the same owner, Dr. Satinder Purewal. The former Wal-Mart building is 110,000 square feet. There is also a 62,831 square foot big box that was formerly Zocalo Mall and prior to that use was an Albertson's grocery store. The 35,378 square feet of shop space is not part of this study and is owned by a different owner.

The subject building was formerly a Wal-Mart and was most recently occupied on a month to month lease by Pruitt's Furniture Store and an Albertson's grocery store that was turned into a flea market called Zocalo Mall. Peoria Town Center was developed and built in 1990 and is currently 100% vacant. Previous tenants that have occupied Peoria Town Center include: Wal-Mart, Albertson's, Pruitt's Furniture Store, and Zocalo Mall. The building has not been in productive use since the Pruitt's Furniture Store ceased activity in 2010.

The Zocalo Mall was partially built out but never opened for business. This building has for all intents and purposes been vacant since Albertson's left several years ago. These buildings are located immediately adjacent to Old Town Peoria and within the Old Town Specific Area Plan. They provide the view shed for Old Town and the current vacant nature of the buildings creates a sense of vacancy for the entire Old Town neighborhood of Peoria.

The buildings were sold at auction in October 2012 to Dr. Satinder Purewal. Since that time, Dr. Purewal has considered various options for developing the buildings, which have included a joint venture with a notable developer of office and bioscience facilities. This opportunity was created as part of the Peoria Building Re-Use Study. Currently, Dr. Purewal is considering redevelopment of the buildings on his own. Dr. Purewal's goal for the facility is to develop a Behavioral Health facility in approximately 60,000 square feet of the former Wal-Mart building and supplement that use by attracting other businesses to lease space in the building.

Building Needs

For the redevelopment of the Peoria Town Center to be successful, several significant enhancements will have to be done to the project. Currently the façade of the buildings, the parking area landscaping, and the building entrance are significantly inadequate for attracting sophisticated targeted industry users.

The review by the engineers retained through this study suggests that the building site entrance and parking area need significant improvements. The building site requires approximately \$1,540,649. This will bring the building site up to the standards needed to become an attractive development that targeted industries will be interested in locating.

The building also needs significant upgrades. The former Wal-Mart is in adequate condition. It is primarily a large open building. The structure is sound with adequate clear heights for attracting targeted industries. The former Albertson's grocery store has been built out as an indoor flea market. This flea market structure will need to be demolished to open the building for redevelopment. The electrical and HVAC systems are in disrepair and have been vandalized and looted for copper materials.

There is significant cost associated with bringing the electrical and HVAC systems up to standards that will be attractive to targeted industries. The costs to bringing the shells of the buildings up to a basic usable standard are estimated by the engineers retained by this study to be an additional cost of approximately \$890,942.

Once the basic costs are met for the buildings to be up to a usable standard for targeted industries, a master plan for the site must be developed by the owner of the building. This master plan will determine the available square footage for the specific end uses by targeted industries. Dr. Purewal has not begun this process.

In addition to creating a development plan for the site, the building will likely need to be re-zoned for targeted industry reuse. The current zoning for the property is C-2; Intermediate Commercial / TOD; Transit Oriented Development (18-35 du/ac). This zoning category allows Entertainment and Recreation, General Industrial and Manufacturing, General Retail, Institutional Uses, Large-Scale Retail, Intense Retail, Lodging, Medical, and Transportation Facilities. While many of these uses are compatible with targeted industries, in a January 28, 2013 meeting with Peoria City staff it was recommended that the property should be re-zoned using a Planned Area Development (PAD) zoning overlay that would allow the owner more flexibility in uses for the building. This re-zoning process was suggested in the meeting will take approximately 6 months and should be started as soon as possible.

The current ownership of the building, Dr. Purewal, is motivated to develop his intended use for the property. In the past, Dr. Purewal has purchased other properties in the City of Peoria in an attempt to develop a Behavioral Health facility. Those projects have not been successful because of the time required to rezone the property. As part of this study, Dr. Purewal has been provided opportunities to partner with a developer to repurpose the building but those efforts have been rejected. While highly motivated, Dr. Purewal has not developed a project of this scope. He will need constant encouragement by the City to stay on a deadline for immediate development.

A key element of the re-use study is to work with the building owners to determine what they will do to help attract targeted industries to the underutilized facilities. Dr. Purewal's objective for buying the property in October 2012 was to establish a Behavioral Health center on the property. This business activity itself is a healthcare use, which is a targeted industry. Dr. Purewal understands that it will be important to attract additional uses for the complex. In a January 28, 2013 meeting with Peoria City Staff and Blue Ocean Biomanufacturing, Dr. Purewal stated that he would "work on whatever you (Blue Ocean Biomanufacturing) want." In the same meeting, Dr. Purewal was also interested in the re-zoning change to a PAD zoning designation.

Dr. Purewal has indicated that he is interested in supplementing his Behavioral Health care use with a higher education use and biomanufacturing or other advanced manufacturing use. FirstStrategic has also recommended to the owner that a data center or call center would work as a compatible targeted industry use. A data center use for the building would have a significant space requirement which is highly compatible with Dr. Purewal's goals for the project.

Creating a Development Plan with Dr. Purewal

The building owner's motivation to attract a targeted industry use must be accelerated to move the building redevelopment effort. As part of that accelerated effort, FirstStrategic and Velocity Retail introduced Dr. Purewal to the Hornaday Development Company. The goal was to introduce a motivated owner to a significant bioscience property development company in hopes of creating the synergy necessary to propel development.

The Hordaday Development Company developed a bioscience center on the Mayo Campus in North Scottsdale for the Translational Genomics Research Institute's (TGen) development company TD2. The Hornaday Development Company has been developing office and laboratory space in the Phoenix Metro area for the past 30 years. Unfortunately, the two entities did not form a development agreement. Dr. Purewal determined that it was in his best interest to redevelop the project on his own.

At this time the FirstStrategic team will continue to work with the owner to create an attractive development plan that will help attract targeted industries to the new Peoria Town Center. The first step in redevelopment of the Peoria Town Center is to create a development plan for the property. We have determined from the extensive Blue Ocean Case Study that it is critically important to present end users with a well thought out development plan for the building so that the end user can visualize the potential of the property. Without this plan the end user will have difficulty understanding how they will fit into the redeveloped site.

City of Peoria Engagement and Cooperation

For the building re-use strategy to be successful it will be critical for City Staff to continue engagement with the building owner. The FirstStrategic team will continue to work with the building owner to encourage him to engage in the PAD re-zoning process and to begin developing a master plan for the buildings. City staff should continue to reach out to the owner to discuss larger development progress being made in the Old Town Peoria development area.

City Staff has introduced the owner to Huntington University as a potential end user for the project. This has been an extremely helpful action by the City to further motivate the owner of the project. As part of the Building Re-Use Implementation Strategy project, FirstStrategic will continue to develop additional targeted industry end users that may be interested in locating in Old Town Peoria. These targeted industries include bioscience manufacturing opportunities, additional higher education uses, data and call centers, as well as additional healthcare opportunities.

As previously specified, the City should also determine if it is in the best interest of Old Town Redevelopment to create an Old Town Redevelopment Corporation and emphasize the work that has been completed on the Old Town Specific Area Plan. With the expenditure that has already been made in Old Town, in addition to the development actions that are taking place on the Goodwill property and the recommendations made for the former Smitty's grocery store property will enhance the speed of redevelopment of the Peoria Town Center.

Directing Public Resources to Re-Use of Peoria Town Center

In the past the City of Peoria has set aside funds to enhance the opportunities for the successful re-use of Peoria Town Center. More than \$1 million has been reserved for the improvement of the Peoria Town Center site. Re-prioritizing potential City resources for this project will demonstrate the City's

commitment to reinvigorating Old Town Peoria. The total cost of \$2.5 million for the modifications needed for the Peoria Town Center to be minimally attractive to targeted industries, in addition to the capital that will be necessary to cover the costs of the owner's development plan, will likely need to be supplemented by some level of City involvement.

The objective of this study is to determine the exact needs for the Peoria Town Center and determining how to satiate those needs in a way that will be attractive to targeted industry end users. The challenge to repurposing the Peoria Town Center is that it must be attractive to potential targeted industry end users. By reserving some level of funding for the Center's revitalization, the City will demonstrate its commitment to the success of the project. This funding can be tied to attracting additional targeted industries to the project.

The current potential uses for Peoria Town Center are Dr. Purewal's Behavioral Health care use supplemented by a realistic higher education use. These uses are both targeted industries of the City and would also fit into the "first come" economic development philosophy of funding priorities. Additional higher education uses can also be attracted to the site once the initial development phase of the project becomes more concrete.

Additional End User Possibilities

Once the development vision for the property is completed, the healthcare and higher educational uses can be supplemented with a variety of other potential targeted industry uses. The remaining space in the facility can be utilized for an innovation center for expanding medical device companies that will be graduating from the BioInspire incubator project. The companies that graduate from the incubator need limited manufacturing and research and development space. Those companies are required to stay in Peoria for at least 5 years. Peoria Town Center can offer space to these companies and will vertically integrate the significant investment of economic development resources for the City. This end use can be realized by utilizing the Medical Device Manufacturing Strategy that was previously described.

By utilizing the Medical Device Manufacturing Strategy and building out space that can be utilized by smaller end users there is also the opportunity to attract small companies from other incubators or other smaller use manufacturing or healthcare materials companies.

Blue Ocean Biomanufacturing has completed significant due diligence on the site. However, the lack of a concrete development plan for the property is a significant concern of the company. Data and call center uses are also attracted to the fiber optic infrastructure in the Grand Avenue right of way and considering the number of employees involved with call center uses should continue to be pursued.

Specific Recommendations for the Peoria Town Center

- 1. Work with the owner to create visionary development plan for the Center.***
- 2. Work with owner to rezone property utilizing a PAD zoning overlay for the Center.***
- 3. Encourage targeted industry end users especially higher education to consider project.***
- 4. Consider creation of Old Town Redevelopment Corporation to assist with public sector funding.***
- 5. Utilize momentum from other Old Town Peoria redevelopment projects to motivate owner to act.***

- 6. Direct urban renewal and economic development funds to project tied to attracting targeted industry end users.**
 - 7. Encourage owner to include space for BioInspire graduates to locate company expansion in the project.**
 - 8. Continue to attract targeted industry end users in Higher Education, Bioscience Manufacturing, Data and Call Centers and Healthcare.**
-

Industrial Building Re-Use Strategy

Four of the subject buildings in the study are industrial type buildings. These buildings have less flexibility than Peoria Town Center. They have been previously used for warehouse and staging businesses and have limited office capacity. The strategy for these buildings will be much different than the strategy suggested for the previously discussed buildings.

The industrial buildings include:

- 1. Arrowhead 101 Business Park Building F**
8606 W. Ludlow Drive Building E, Peoria, Arizona
- 2. Arrowhead 101 Business Park Building E**
8606 W. Ludlow Drive Building F Peoria, Arizona
- 3. Olive Industrial Building**
8009 W. Olive Avenue, Peoria, Arizona
- 4. Seldon Industrial Building**
7733 W. Seldon Lane, Peoria, Arizona

The targeted industry uses for industrial buildings are narrower in scope. Advanced and bioscience manufacturing, alternative energy, telecommunications and data centers are the most likely candidates for industrial building uses. Non-targeted industry uses such as companies that support the new F-35 mission at Luke AFB is also a potential candidate for the industrial buildings.

Arrowhead 101 Business Park Building F

The subject building, Arrowhead 101 Business Park Building F, is 33,743 SF and has been leased to Goodwill Industries as a furniture retail facility. The building has a long term lease and has been put into productive use creating jobs and sales tax revenue for the City of Peoria. The building is no longer a part of the study.

Arrowhead 101 Business Park Building E

The subject property is an industrial building that has 63,533 SF of leasable space. The building is located within the Arrowhead 101 Business Park and was built by the Mack Companies. Other buildings in the business park have been leased to Maxwell Technologies and RideNow Powersports.

Building E has never been occupied. The Building has exceptional freeway visibility and is located in a business park adjacent to a major City park. It has tremendous curb appeal and has power and HVAC capacity to satisfy most manufacturing and data center needs.

The owners of the building are willing to work with potential tenants to provide sufficient requested improvements so that the building will be cost effective for potential end users. The move in schedule should be extremely short so that end users that need space immediately will find the building very attractive. Any manufacturer within the targeted industries will find the building useful and it can be marketed to data centers, advanced manufacturers, service providers supporting the mission of Luke AFB, bioscience manufacturing, and alternative energy manufacturers or service providers. The building is located at the Thunderbird and Loop 101 exit and is extremely accessible to all parts of the Greater Phoenix area, especially the healthcare corridor along Thunderbird and Luke AFB.

This building is in excellent condition. The single biggest barrier to leasing the space for productive economic development use is the patience of the owner, the Mack Company. The Mack Company develops and manages commercial properties throughout the United States. They consider Building E the best building in the Arrowhead 101 Business Park. It is clear from the history of the building and the interview with the building owner that the Mack Company is waiting for a well-qualified, long-term tenant. Until that tenant is available this building will not be leased. The objective of this project is to find an end user that can be a well-qualified, long-term tenant.

Blue Ocean Biomanufacturing is very interested in Building E. The building has the location, curb appeal, developed infrastructure, and nearby amenities for Blue Ocean Biomanufacturing to house a successful business.

Blue Ocean Biomanufacturing Strategy

Blue Ocean Biomanufacturing believes they can be the long-term, well-qualified tenant for this building. As part of this study Blue Ocean Biomanufacturing has served as the end user case study. Blue Ocean Biomanufacturing has visited Building E on several occasions and is currently working with their engineering firm, AES Cleanroom Solutions, to develop a comprehensive cost of design plan that will determine the cost of developing a biomanufacturing facility in Building E. Blue Ocean Biomanufacturing will understand what the design and construction costs will be for its new operation and begin to work with the owner of the building to structure a potential lease.

For the past 6 months Blue Ocean Biomanufacturing has been working to develop customers in the western United States to expand operation in the City of Peoria. The company has established working relationships with scientists at the Translational Genomics Research Institute (TGen) in Phoenix, TGen North in Flagstaff, the University of California at Los Angeles, and the University of New Mexico in an effort to develop a base of customers that will support a significant biomanufacturing facility in Peoria. The company is continuing to reach new potential customers in the Phoenix and California markets and must finalize contracts with bioscience researchers to be able to establish the financial strength to be acceptable to the Mack Company.

In addition to building a customer base in the western United States, Blue Ocean Biomanufacturing has been working with FirstStrategic to develop public private partnerships and apply for federal, state and local funding sources that can assist with the development of the needed infrastructure necessary to expand in Peoria. The grant applications will serve as an example of what other end users can utilize to expand or open new facilities in Peoria.

Developing Alternative End Users for Building E

While Blue Ocean Biomanufacturing is the preferred tenant for this building, considering the stringent financial requirements of the Mack Company, alternative targeted industries end users are being identified for the re-use of building E. Several targeted industries can utilize this building. The building is suitable for Advance Business Services such as a data center, other biomanufacturing or medical device manufacturers, and companies supporting the F-35 mission at Luke AFB. The upcoming build-out of Maxwell Technologies in the same location demonstrates that the building is suitable for Advanced Manufacturers and Alternative Energy equipment manufacturers.

FirstStrategic is working with PricewaterhouseCoppers, the Greater Phoenix Economic Council, and the Arizona Commerce Authority to develop targeted end users to market this outstanding facility.

Specific Recommendations for Arrowhead 101 Business Park Building E

- 1. Continue to work with Blue Ocean Biomanufacturing to attract biomanufacturing accelerator to Peoria.***
- 2. Work with the Mack Company to meet stringent financial requirements for lease acceptance.***
- 3. Develop Public Private Partnerships to support Blue Ocean Biomanufacturing effort. Continue to market Building E to additional targeted industry end users in the area of advanced manufacturing, advanced business services/data centers, bioscience/biomanufacturing, and companies supporting the F-35 mission at Luke Air Force Base.***

OLIVE INDUSTRIAL BUILDING

The subject property is a 50,063 SF industrial warehouse that includes 5,300 SF of office space. The warehouse was built in 2001 and is 0% leased. It is located next to the Peoria Municipal Operations Center, just outside Peoria Industrial Park. A proposed 328-acre rail-centric development called Rovey Industrial Park is planned nearby.

This is an excellently designed industrial building with 28' clear ceilings and 2000 amps of power. It offers over 5,300 SF of existing offices, a fenced yard with excellent truck maneuverability, and is fully equipped with an advanced fire sprinkler system.

With its power and clear height, this facility appeals to a typical West Valley industrial user. As the construction industry improves over the next 6-9 months we would expect a manufacturer to buy or lease this building. It can be used for an Advanced Manufacturing facility or Alternative Energy company.

Its proximity to Luke AFB makes it attractive to companies supporting the new F-35 mission at Luke AFB. The location provides access to other parts of the valley with easy access to the NW Loop 101 and Highway 60.

This building has been used as a warehouse distribution center in the past. The challenge for making the building suitable for a manufacturing use is that the industrial areas of the building have limited HVAC

capacity. The current owner of the building will have to improve the HVAC capacity and work those tenant improvements into the lease agreement with the new end user. The building was also branded for the previous tenant, LG.

This branding is built into aspects of the building and will need to be changed for a new tenant. The building is in excellent condition and does not need significant improvements to the site or the building structure. The challenge for the building is that it has a large warehouse/industrial footprint of more than 40,000 square feet, meaning the space may have to be divided for more than one user to successfully attract targeted industry users. The owners of the building are currently trying to attract one user for the building.

Strategy for Re-Use of Olive Industrial Building

The Olive Industrial Building is an excellent facility. However, it has several challenges to overcome to be utilized by a targeted industry end user. The size of the industrial area makes it too large for a company graduating from the BioInspire incubator in its current configuration. The lack of sophisticated HVAC capacity and the lack of redundant power and fiber optic capacity also limit the use of the building for biomanufacturing and data center uses. The location of the facility reduces the curb appeal of the building compared to other buildings in this study.

Because of these considerations the building may have potential for end users that are not targeted industries but have needs for office and warehouse capacity.

Advanced Manufacturing/Alternative Energy Strategy

The Olive Industrial Building will be marketed to Advanced Manufacturing and Alternative Energy manufacturing and service companies that install alternative energy solutions to large customers. Attracting an Advanced Manufacturing or Alternative Energy manufacturer to this building will take a creative marketing strategy. The building is in fine physical condition and it does not need significant improvements for its former use as a warehouse.

During the Blue Ocean Case study the concern about the building was that it lacked significant HVAC capacity for the industrial area of the building. However, the building can be used as a fall back facility for companies interested in the Arrowhead 101 Business Park but are not sufficiently capitalized to meet the Mack Company's stringent financial conditions. This tactic has been employed during the Blue Ocean Case Study and with a second advanced manufacturing end user.

The building is in close proximity to the planned Rovey Industrial Park which has a rail-centric design. Having access to a rail spur is a benefit for the Olive Industrial building. This benefit must be exploited in an aggressive marketing campaign for the building.

FirstStrategic has developed a general marketing brochure for the building (Appendix E) and continues to forward this facility to end users in the Advanced Manufacturing and Alternative Energy Industries in an effort to attract a targeted industry for the building.

BioInspire Partnership Strategy

The current size and configuration of the building have made it difficult to lease in a down construction market. The building has been vacant for some time with limited prospects for the near term.

Considering the owners desire to have one tenant, one strategy for the building is to create a partnership with the BioInspire incubator to create several small manufacturing bays that could be used as a bridge location for companies that graduate from the BioInspire incubator and need smaller manufacturing locations. The 40,000 square feet of the building can be divided into four 10,000 square foot manufacturing bays. These smaller spaces can then be leased at a more affordable cost than would be offered by a new building. The office space could also be divided into smaller office spaces for each new company. BioInspire or another non-profit could serve as an umbrella organization to lease the building and serve as a bridge for the new companies to establish their financial footing so that they can qualify for a market lease after they have matured.

FirstStrategic has been working with an end-user that would fit into this category. The end user is interested in moving its small corporate headquarters and warehousing facility for a health product to Peoria but cannot use 40,000 square feet of space. If a smaller space were available this would be a perfect location for the company.

The partnership with BioInspire will provide the needed small manufacturing space in the City, provide a single tenant for the building owner and provide a growth engine for a targeted industry cluster in Peoria.

Expanding the Potential Universe of End Users for the Building

This report suggests that the targeted industry uses for this building are Advanced Manufacturing and Alternative Energy uses. Phase 1b of the study did not recommend data centers as a potential end user for this building. In addition to these targeted industry uses for the building non-targeted industries must be considered. Because of its close proximity to Luke AFB, we also recommend considering end users who are supporting the new F-35 fighter mission at Luke AFB. The support effort for Luke AFB will include companies that directly support the airplanes and their maintenance, the flight simulator training, and the construction efforts that will occur to prepare the base for the arrival and continuous service of the new mission.

Specific Recommendations for Olive Industrial Building

- 1. Aggressively and more creatively market the building to targeted industry end users.***
- 2. Use building as an alternative to Arrowhead 101 Business Park for end users that do not have capitalization for Mack Company lease.***
- 3. Utilize public resources to attract high employing targeted industry end users.***
- 4. Develop potential partnership with BioInspire as industrial space for incubator graduates.***
- 5. Maximize contacts with non-targeted industry end users such as support organizations for F-35 mission at Luke AFB***

SELDON INDUSTRIAL BUILDING

The subject property is a 25,914 SF industrial warehouse that was built in 1988 and is currently 0% leased. The owners of the building are negotiating with a potential tenant and believe that the building will be leased in the very near future. The building is located within the Peoria Industrial Park and is adjacent to a proposed 328-acre rail-centric development called Rovey Industrial Park. Existing nearby businesses include the Peoria Municipal Operations Center and the Butler Water Reclamation Center.

We believe that a user from a targeted industry such as a small Advanced Manufacturing company, a biomanufacturing company, or an Alternative Energy service or installation company can utilize this facility. The building can also be utilized by a BioInspire Incubator graduate as a next step manufacturing facility. The buildings location is also desirable for a company supporting the F-35 mission at Luke AFB.

The Seldon Industrial Building was built in 1988 and it is structurally in good shape. However, the building lacks availability of redundant power and fiber optic service, and has extremely limited HVAC capacity. These limitations make the building an unlikely target for data centers and telecommunications uses.

The building owner indicated that he had recently installed a new roof, however the site retention and paving is in poor shape and will need both curb and paving over-lay to restore paving to serviceable duty. A permanent solution for what appears to be “breaches” in the retaining walls and berms allows water from the agricultural land to the east and possibly the south. Permanent solutions to these problems need to be implemented. Retaining walls or gunite applied to berms that can withstand the run-off from either irrigation or storm run-off from the farm operations will need to be addressed. The costs of these repairs are approximately \$40,000.

The building owner has not been interested in participating in this study. They have made the building available to the engineers retained for the study but have not cooperated beyond that action. Considering the attitude of the owner of the building we believe that this building should be leased within 1 to 3 months.

Strategy for Re-Use of Seldon Industrial Building

FirstStrategic and Velocity Retail Group have been monitoring the progress of the leasing of the building and should the building remain vacant the strategy for re-use of this building should center on the potential use of a BioInspire graduate expanding into this facility. The City has invested significantly in the medical device incubator and this building, with some assistance from the City or other public resources, could be a successful next step facility for a growing company. The building also has potential for companies that provide installation and service in the alternative energy industry. The building also has potential for companies that provide installation and service in the alternative energy industry. In addition, the building has excellent proximity to Luke AFB and could be utilized for companies supporting the new F-35 fighter mission or for construction companies servicing Luke AFB.

FirstStrategic has developed a general marketing brochure for the building (Appendix F) and has also provided this building to a company that wants to move its headquarters and warehouse operation to Peoria. The size of the warehouse may be too large for the company’s next step but they are considering the opportunity.

Specific Recommendations for Seldon Industrial Building

- 1. Monitor the progress of current lease negotiations.***
 - 2. Market the building to manufacturing uses of BioInspire Graduates.***
 - 3. Work with companies supporting the F-35 mission at Luke AFB.***
-

FORMER BEST BUY BUILDING

The subject property is located within Lake Pleasant Towne Center, a 569,196 SF power center comprised of big boxes, strip shops, and a variety of freestanding PAD buildings. Lake Pleasant Towne Center is anchored by The Home Depot and Kohl's. The former Best Buy building is located at the end cap of the shopping center and has frontage off Happy Valley Parkway. The subject building is 30,221 SF and has only been occupied by Best Buy.

Lake Pleasant Towne Center was developed and built in 2007, and the Best Buy Box is currently 100% vacant. The owners of this building are confident that a retail use can be found in the short-term for this building. The appropriate use for this new building in a significant retail center is for its current retail use. Best Buy continues to make its lease payments.

The Former Best Buy Building was built in 2007 and is in excellent condition. There are no current needs for the site or the building to enable utilization by a new tenant. The building has been branded for Best Buy and the façade will need to be rebranded for a new tenant. The CC&R's for the building require it to be a retail use. Any other use would require change to the CC&R's and the owners of the building have no interest in changing these requirements.

Strategy for Re-use of the former Best Buy Building

The owner of the property, Vestar, is one of the largest owners of power centers in the Western U.S. The center is relatively new and the size of the vacant store is marketable in the current retail market. This property would not fall under the category of distressed retail that needs to discover alternative uses.

Targeted industry use is not a possibility for this building with the exception of a very significant telecommunications retail store. The likelihood of that type use is very low. The entire area of Northern Peoria is poised to experience growth in the Northwest Valley. The region surrounding the building has a great deal of undeveloped land to work with in accordance with the City of Peoria's Master Plan. The potential residential and office growth in the area will be attractive to retail uses for the center. New amenities at Lake Pleasant will also increase traffic counts on Lake Pleasant Parkway and will further entice a new retail use for the building. The building's highest and best use would be to continue as a retail facility positioned as the "end cap" of a line retail space in a successful power center in the growing Northwest Valley.

The City should continue to communicate with the owner and work on marketing strategies that will complement the development of the area and another significant retailer will occupy the space within 12-24 months.

Specific Recommendations for Former Best Buy Building

- 1. Continue to work with building owners to attract significant retail opportunity for the building.***
- 2. Encourage residential growth in Happy Valley and Lake Pleasant Parkway corridors.***
- 3. Enhance entertainment amenities at Lake Pleasant to increase traffic counts on Lake Pleasant Parkway.***
- 4. Encourage new office uses in the Happy Valley Road and Lake Pleasant Parkway corridors.***

Conclusion

This extensive study of underutilized buildings in the City of Peoria has made several key findings. The recommendations of the study will help focus the direction of economic development efforts for the City, provides several detailed strategies, and includes policy recommendations for City staff and Council. As part of the study, work has begun with specific targeted end users in an effort to provide new economic development opportunities in areas of the City that have been underperforming during the past decade.

The study and strategic implementation plan reviewed the economic viability of the City of Peoria as it relates to its ability to attract targeted industries. The determination that Peoria is an attractive market for several targeted industries has assisted in the development of specific strategies for the City. Peoria is economically viable for the following targeted industries:

- **Industry 1: Advanced Business Services**
- **Industry 2: Advanced Manufacturing**
- **Industry 3: Bioscience**
- **Industry 5: Healthcare**
- **Industry 7: Alternative Energy**
- **Industry 8: Telecommunications**
- **Industry 9: Higher Education**

These same industries are economically viable for several of the buildings that are under consideration for this study. The following buildings would be most attractive to these specific industries.

- **Peoria Town Center (Former Wal-Mart and Zocalo Mall)**
Northwest Corner of Peoria and 83rd Avenue, Peoria, Arizona
- **Arrowhead 101 Business Park Building E**
8606 W. Ludlow Drive Building E, Peoria, Arizona
- **Olive Industrial Building**
8009 W. Olive Avenue, Peoria, Arizona
- **Seldon Industrial Building**
7733 W. Seldon Lane, Peoria, Arizona

These four buildings have attributes that can attract targeted industry end users. This study has conducted significant due diligence on each of the buildings and developed strategies for the repurposing of these buildings in a way that will result in enhanced economic development opportunities. In addition, during the course of this study specific targeted industry end users have been engaged in preliminary efforts to attract those end users to the buildings. Targeted industry end users have been engaged on all of the buildings that are attractive to targeted industries. Higher Education, Data Center, Bioscience, and Healthcare end users have been engaged with regards to the Peoria Town Center. Bioscience, Advanced Manufacturing, and Data Center end users have been engaged to consider Arrowhead 101 Business Park, Building E. Advanced Manufacturing and Bioscience manufacturing have been engaged with the Olive Industrial Building, and a Healthcare products and Bioscience manufacturing opportunity have been introduced to the Seldon Industrial Building. The result of these efforts has assisted in the development of the specific strategies outlined in this report. Once

the strategies are accepted, modified or rejected by the City additional end users can be developed for the use of the buildings. The chart below outlines the end users that have been engaged for each building.

	Advanced Business Services	Advanced Manufacturing	Bioscience	Healthcare	Alternative Energy	Telecom	Higher Education
Peoria Town Center	x		x	x			x
Arrowhead 101 Business Park Building E	x	x	x				
Olive Industrial Building		x	x		x		
Seldon Industrial Building			x	x	x		

Strategies have also been designed for the buildings that are not attractive to targeted industry end users. A specific strategy has been developed for the repurposing of the former Smitty’s grocery store. This strategy requires specific action by the City of Peoria. An end user has been engaged and is interested in redevelopment of the former Smitty’s property, but the City must demonstrate that it is interested in repurposing the site for a new residential and mixed commercial use.

This study also recommends specific targeted industry strategies that will significantly expand the economic development opportunities for the City. Specific targeted industry strategies have been recommended for Biomanufacturing, Medical Device Manufacturing, Higher Education, and Advanced Manufacturing. These specific targeted industry strategies will assist with attracting end users in these industries.

There are specific policy recommendations that will also help to attract targeted industry end users. These policy recommendations can be adopted by the City Council and will demonstrate the continued commitment to economic development opportunities. The policy recommendations are for the City of Peoria to develop an Old Town Redevelopment Corporation, more extensively utilize the City’s Industrial Development Authority, develop a Voluntary Demolition program, and adopt a more expedited permitting process. These policy recommendations will continue to demonstrate the commitment to enhancing one of the prominent gateways to the City.

In addition, this study makes specific detailed recommendations and provides strategies that are necessary to attract targeted industry end users to the individual buildings that have been the principal subject of this study. Each building has been analyzed by engineers retained by the study. The buildings have been scrutinized by potential end users to determine their suitability. The buildings have been assessed by real estate experts to determine their market value and finally recommendations and strategies have been developed to enhance their usability in the private marketplace.

A major element of this study has been working with a potential end user throughout the entire process. By bringing a targeted industry end user to this process the FirstStrategic team has been able to understand the precise needs of end users, the physical challenges of the various buildings in the study, the marketability of the properties, the availability of public funds to meet the needs of a competitive marketplace and the advantages and challenges faced by the City of Peoria.

As the potential targeted industry end user, Blue Ocean Biomanufacturing offers a unique opportunity to the City of Peoria. Blue Ocean Biomanufacturing would be initiating an industry in the City of Peoria that does not exist as a cluster in the Greater Phoenix metropolitan area. This new cutting edge biomanufacturing footprint has the potential to grow exponentially over the next ten years. Much like the Translational Genomics Research Institute's beginning in downtown Phoenix; Blue Ocean Biomanufacturing would create a new location for economic engagement on the Bioscience Road Map. This study has provided the strategies and recommendations necessary to bring Blue Ocean to the City of Peoria.

We finally recommend that the City of Peoria adopt these strategies and specific detailed recommendations to further enhance the economic development opportunities for the City.

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Advanced Business Services

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Electric Power Costs	5	2	10	2	10	2	10	2	10	
Water and Sewer Costs	1	2	2	2	2	2	2	2	2	
Natural Gas Costs	1	2	2	2	2	2	2	2	2	
Liquid Gas	1	2	2	2	2	2	2	2	2	
Cost of Real Estate	5	0	0	0	0	0	0	0	0	
Lease Rate	5	3	15	1	5	2	10	1	5	
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10	
Corporate Income Tax	5	3	15	3	15	3	15	3	15	
Personal Income Tax	3	2	6	2	6	2	6	2	6	
Worker Comp	3	3	9	3	9	3	9	3	9	
Unemployment Insurance	3	3	9	3	9	3	9	3	9	
Transportation Costs	3	2	6	2	6	2	6	2	6	
Incentives	5	2	10	2	10	2	10	2	10	
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15	
Feedstock Cost (renewable energy)	2	3	6	3	6	3	6	3	6	

Targeted Industry Site Location Matrix

Industry Target: Advanced Business Services

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Office/Admin Support Labor Availability	3	2	6	2	6	2	6	2	6	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Technical Labor Availability	3	2	6	2	6	2	6	2	6	
Skilled Labor Availability	2	3	6	3	6	3	6	3	6	
Software Engineer Labor Availability	3	2	6	2	6	2	6	2	6	
University Enrollment in Software Engineering	3	1	3	1	3	1	3	1	3	
Labor Supply of Scientists	1	2	2	2	2	2	2	2	2	
Production Labor Availability	1	2	2	2	2	2	2	2	2	
Workforce Development Programs	2	2	4	2	4	2	4	2	4	
Career Technical Education	3	2	6	2	6	2	6	2	6	
Educational Attainment	2	3	6	3	6	3	6	3	6	
Demographics of the Market Area	3	3	9	3	9	3	9	3	9	
Supply Chain and JIT Inventory	5	2	10	2	10	2	10	2	10	
Broadband Infrastructure	5	3	15	3	15	1	5	1	5	
Reliable and Redundant Power	5	3	15	3	15	1	5	1	5	
Disaster Risk	5	3	15	3	15	3	15	3	15	
Access to the Student Feeder Market	5	2	10	2	10	2	10	2	10	

Targeted Industry Site Location Matrix

Industry Target: Advanced Business Services

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Size of Site	5	3	15	3	15	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Size of Building	5	3	15	3	15	1	5	3	15	
Building Layout	3	3	9	3	9	2	6	2	6	
Ability to Expand	2	3	6	3	6	3	6	2	4	
Availability of Water Utilities	3	2	6	3	9	2	6	2	6	
Availability of Electric Power	5	3	15	3	15	2	10	2	10	
Redundant Power Capabilities	5	3	15	3	15	1	5	1	5	
Availability of Renewable Power Generation	5	3	15	3	15	1	5	1	5	
Proximity to Electric Grid (Alt energy)	5	3	15	2	10	1	5	1	5	
Broadband infrastructure and Network Latency	5	3	15	3	15	1	5	1	5	
Disaster Risk	5	2	10	3	15	2	10	2	10	
Security and Forced Protection	5	2	10	3	15	2	10	2	10	
Wet Lab Space	1	2	2	2	2	2	2	2	2	
Truck Door Dock High	1	3	3	2	2	3	3	2	2	
Minimum 19 Foot Ceiling Clear Height	3	3	9	3	9	3	9	1	3	
3-phase electricity	5	2	10	2	10	1	5	1	5	

Targeted Industry Site Location Matrix

Industry Target: Advanced Business Services

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Climate	1	3	3	3	3	3	3	3	3	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Crime	2	2	4	2	4	2	4	2	4	
Recreation	2	3	6	3	6	3	6	3	6	
Amenities	2	2	4	2	4	2	4	2	4	
Housing costs/variety/availability	5	3	15	3	15	3	15	3	15	
Cost of living	5	3	15	3	15	3	15	3	15	
Access to Middle and Upper Income Neighborhoods	2	2	4	2	4	2	4	2	4	
Education System	3	2	6	2	6	2	6	2	6	

Targeted Industry Site Location Matrix

Industry Target: Advanced Business Services

SUMMARY TABLE

Criteria	Bldg	Bldg	Bldg	Bldg
	1	2	3	4
Operating Costs	127	117	122	117
Operating Conditions	121	121	101	101
Building -Site	170	177	102	103
Quality of Life/Social	57	57	57	57
Grand Totals	475	472	382	378

Bldg 1 = Peoria Town Center
 Bldg 2 = Arrowhead E
 Bldg 3 = Olive
 Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Advanced Manufacturing

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Electric Power Costs	5	2	10	2	10	2	10	2	10	
Water and Sewer Costs	5	2	10	2	10	2	10	2	10	
Natural Gas Costs	5	2	10	2	10	2	10	2	10	
Liquid Gas	5	2	10	2	10	2	10	2	10	
Cost of Real Estate	5	0	0	0	0	0	0	0	0	
Lease Rate	5	2	10	1	5	2	10	1	5	
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10	
Corporate Income Tax	5	3	15	3	15	3	15	3	15	
Personal Income Tax	3	2	6	2	6	2	6	2	6	
Worker Comp	5	3	15	3	15	3	15	3	15	
Unemployment Insurance	5	3	15	3	15	3	15	3	15	
Transportation Costs	5	2	10	2	10	2	10	2	10	
Incentives	5	2	10	2	10	2	10	2	10	
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15	
Feedstock Cost (renewable energy)	5	3	15	3	15	3	15	3	15	

Targeted Industry Site Location Matrix

Industry Target: Advanced Manufacturing

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Office/Admin Support Labor Availability	3	2	6	2	6	2	6	2	6	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Technical Labor Availability	5	2	10	2	10	2	10	2	10	
Skilled Labor Availability	5	3	15	3	15	3	15	3	15	
Software Engineer Labor Availability	5	2	10	2	10	2	10	2	10	
University Enrollment in Software Engineering	5	1	5	1	5	1	5	1	5	
Labor Supply of Scientists	5	2	10	2	10	2	10	2	10	
Production Labor Availability	5	2	10	2	10	2	10	2	10	
Workforce Development Programs	5	2	10	2	10	2	10	2	10	
Career Technical Education	3	2	6	2	6	2	6	2	6	
Educational Attainment	5	3	15	3	15	3	15	3	15	
Demographics of the Market Area	5	3	15	3	15	3	15	3	15	
Supply Chain and JIT Inventory	5	2	10	2	10	2	10	2	10	
Broadband Infrastructure	2	3	6	3	6	1	2	1	2	
Reliable and Redundant Power	2	3	6	3	6	1	2	1	2	
Disaster Risk	3	3	9	3	9	3	9	3	9	
Access to the Student Feeder Market	5	2	10	2	10	2	10	2	10	

Targeted Industry Site Location Matrix

Industry Target: Advanced Manufacturing

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Size of Site	3	3	9	3	9	3	9	2	6	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Size of Building	3	2	6	3	9	3	9	2	6	
Building Layout	2	2	4	3	6	3	6	2	4	
Ability to Expand	3	3	9	3	9	3	9	2	6	
Availability of Water Utilities	5	2	10	3	15	2	10	2	10	
Availability of Electric Power	5	3	15	3	15	2	10	2	10	
Redundant Power Capabilities	5	3	15	3	15	1	5	1	5	
Availability of Renewable Power Generation	5	3	15	3	15	1	5	1	5	
Proximity to Electric Grid (Alt energy)	5	3	15	2	10	1	5	1	5	
Broadband infrastructure and Network Latency	3	3	9	3	9	1	3	1	3	
Disaster Risk	5	2	10	3	15	2	10	2	10	
Security and Forced Protection	5	1	5	3	15	3	15	2	10	
Wet Lab Space	1	2	2	2	2	2	2	2	2	
Truck Door Dock High	5	3	15	2	10	3	15	2	10	
Minimum 19 Foot Ceiling Clear Height	5	3	15	3	15	3	15	1	5	
3-phase electricity	5	2	10	2	10	1	5	1	5	

Targeted Industry Site Location Matrix

Industry Target: Advanced Manufacturing

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Climate	3	3	9	3	9	3	9	3	9	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Crime	3	2	6	2	6	2	6	2	6	
Recreation	3	3	9	3	9	3	9	3	9	
Amenities	3	2	6	2	6	3	9	2	6	
Housing costs/variety/availability	3	3	9	3	9	3	9	3	9	
Cost of living	3	3	9	3	9	3	9	3	9	
Access to Middle and Upper Income Neighborhoods	5	2	10	2	10	2	10	2	10	
Education System	5	2	10	2	10	2	10	2	10	

Targeted Industry Site Location Matrix

Industry Target: Advanced Manufacturing

SUMMARY TABLE

Criteria	Bldg	Bldg	Bldg	Bldg
	1	2	3	4
Operating Costs	171	166	171	166
Operating Conditions	153	153	145	145
Building -Site	164	179	133	102
Quality of Life/Social	68	68	71	68
Grand Totals	556	566	520	481

Bldg 1 = Peoria Town Center
 Bldg 2 = Arrowhead E
 Bldg 3 = Olive
 Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Bioscience

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Electric Power Costs	5	2	10	2	10	2	10	2	10		
Water and Sewer Costs	5	2	10	2	10	2	10	2	10		
Natural Gas Costs	3	2	6	2	6	2	6	2	6		
Liquid Gas	3	2	6	2	6	2	6	2	6		
Cost of Real Estate	5	0	0	0	0	0	0	0	0		
Lease Rate	5	2	10	1	5	2	10	1	5		Rating
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10		1 = negative
Corporate Income Tax	3	3	9	3	9	3	9	3	9		2 = acceptable
Personal Income Tax	3	2	6	2	6	2	6	2	6		3 = exceeds criteria
Worker Comp	3	3	9	3	9	3	9	3	9	0 = Not applicable	
Unemployment Insurance	3	3	9	3	9	3	9	3	9		
Transportation Costs	3	2	6	2	6	2	6	2	6	Bldg 1 = Peoria Town Center	
Incentives	5	2	10	2	10	2	10	2	10	Bldg 2 = Arrowhead E	
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15	Bldg 3 = Olive	
Feedstock Cost (renewable energy)	3	3	9	3	9	3	9	3	9	Bldg 4 = Seldon	

Targeted Industry Site Location Matrix

Industry Target: Bioscience

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Office/Admin Support Labor Availability	2	2	4	2	4	2	4	2	4	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Technical Labor Availability	5	2	10	2	10	2	10	2	10		
Skilled Labor Availability	5	3	15	3	15	3	15	3	15		
Software Engineer Labor Availability	3	2	6	2	6	2	6	2	6		
University Enrollment in Software Engineering	3	1	3	1	3	1	3	1	3		
Labor Supply of Scientists	5	2	10	2	10	2	10	2	10		
Production Labor Availability	3	2	6	2	6	2	6	2	6		Rating
Workforce Development Programs	5	2	10	2	10	2	10	2	10		1 = negative
Career Technical Education	3	2	6	2	6	2	6	2	6		2 = acceptable
Educational Attainment	5	3	15	3	15	3	15	3	15		3 = exceeds criteria
Demographics of the Market Area	5	3	15	3	15	3	15	3	15	0 = Not applicable	
Supply Chain and JIT Inventory	3	2	6	2	6	2	6	2	6		
Broadband Infrastructure	3	3	9	3	9	1	3	1	3	Bldg 1 = Peoria Town Center	
Reliable and Redundant Power	3	3	9	3	9	1	3	1	3	Bldg 2 = Arrowhead E	
Disaster Risk	5	3	15	3	15	3	15	3	15	Bldg 3 = Olive	
Access to the Student Feeder Market	5	2	10	2	10	2	10	2	10	Bldg 4 = Seldon	

Targeted Industry Site Location Matrix

Industry Target: Bioscience

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Size of Site	5	3	15	3	15	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Size of Building	5	2	10	3	15	2	10	3	15		
Building Layout	5	2	10	3	15	2	10	2	10		
Ability to Expand	3	3	9	3	9	3	9	2	6		
Availability of Water Utilities	5	2	10	3	15	2	10	2	10		
Availability of Electric Power	3	3	9	3	9	2	6	2	6		
Redundant Power Capabilities	5	3	15	3	15	1	5	1	5		Rating
Availability of Renewable Power Generation	3	3	9	3	9	1	3	1	3		1 = negative
Proximity to Electric Grid (Alt energy)	3	3	9	2	6	1	3	1	3		2 = acceptable
Broadband infrastructure and Network Latency	3	3	9	3	9	1	3	1	3		3 = exceeds criteria
Disaster Risk	5	2	10	3	15	2	10	2	10	0 = Not applicable	
Security and Forced Protection	5	1	5	3	15	2	10	2	10		
Wet Lab Space	5	2	10	2	10	2	10	2	10	Bldg 1 = Peoria Town Center	
Truck Door Dock High	5	3	15	2	10	3	15	2	10	Bldg 2 = Arrowhead E	
Minimum 19 Foot Ceiling Clear Height	5	3	15	3	15	3	15	1	5	Bldg 3 = Olive	
3-phase electricity	3	2	6	2	6	1	3	1	3	Bldg 4 = Seldon	

Targeted Industry Site Location Matrix

Industry Target: Bioscience

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Climate	3	3	9	3	9	3	9	3	9	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Crime	3	2	6	2	6	2	6	2	6		Rating
Recreation	3	3	9	3	9	3	9	3	9		1 = negative
Amenities	3	2	6	2	6	2	6	2	6		2 = acceptable
Housing costs/variety/availability	5	3	15	3	15	3	15	3	15		3 = exceeds criteria
Cost of living	5	3	15	3	15	3	15	3	15		0 = Not applicable
Access to Middle and Upper Income Neighborhoods	5	2	10	2	10	2	10	2	10		Bldg 1 = Peoria Town Center
Education System	5	2	10	2	10	2	10	2	10		Bldg 2 = Arrowhead E
											Bldg 3 = Olive
											Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Bioscience

SUMMARY TABLE

Criteria	Bldg	Bldg	Bldg	Bldg
	1	2	3	4
Operating Costs	135	130	135	130
Operating Conditions	149	149	137	137
Building -Site	166	188	132	119
Quality of Life/Social	80	80	80	80
Grand Totals	530	547	484	466

Bldg 1 = Peoria Town Center
 Bldg 2 = Arrowhead E
 Bldg 3 = Olive
 Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Healthcare

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF)
Electric Power Costs	5	2	10	2	10	2	10	2	10	5 = Critically important
Water and Sewer Costs	5	2	10	2	10	2	10	2	10	3 = Very important
Natural Gas Costs	3	2	6	2	6	2	6	2	6	2 = Important
Liquid Gas	1	2	2	2	2	2	2	2	2	1 = not very important
Cost of Real Estate	5	0	0	0	0	0	0	0	0	
Lease Rate	5	2	10	1	5	2	10	1	5	Rating
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10	1 = negative
Corporate Income Tax	5	3	15	3	15	3	15	3	15	2 = acceptable
Personal Income Tax	3	2	6	2	6	2	6	2	6	3 = exceeds criteria
Worker Comp	5	3	15	3	15	3	15	3	15	0 = Not applicable
Unemployment Insurance	5	3	15	3	15	3	15	3	15	
Transportation Costs	1	2	2	2	2	2	2	2	2	Bldg 1 = Peoria Town Center
Incentives	5	2	10	2	10	2	10	2	10	Bldg 2 = Arrowhead E
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15	Bldg 3 = Olive
Feedstock Cost (renewable energy)	3	3	9	3	9	3	9	3	9	Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Healthcare

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Office/Admin Support Labor Availability	5	2	10	2	10	2	10	2	10	Weighting Factors (WF)
Technical Labor Availability	3	2	6	2	6	2	6	2	6	5 = Critically important
Skilled Labor Availability	5	3	15	3	15	3	15	3	15	3 = Very important
Software Engineer Labor Availability	2	2	4	2	4	2	4	2	4	2 = Important
University Enrollment in Software Engineering	2	1	2	1	2	1	2	1	2	1 = not very important
Labor Supply of Scientists	5	2	10	2	10	2	10	2	10	
Production Labor Availability	3	2	6	2	6	2	6	2	6	Rating
Workforce Development Programs	5	2	10	2	10	2	10	2	10	1 = negative
Career Technical Education	5	2	10	2	10	2	10	2	10	2 = acceptable
Educational Attainment	5	3	15	3	15	3	15	3	15	3 = exceeds criteria
Demographics of the Market Area	5	3	15	3	15	3	15	3	15	0 = Not applicable
Supply Chain and JIT Inventory	3	2	6	2	6	2	6	2	6	
Broadband Infrastructure	5	3	15	3	15	1	5	1	5	Bldg 1 = Peoria Town Center
Reliable and Redundant Power	5	3	15	3	15	1	5	1	5	Bldg 2 = Arrowhead E
Disaster Risk	5	3	15	3	15	3	15	3	15	Bldg 3 = Olive
Access to the Student Feeder Market	5	2	10	2	10	2	10	2	10	Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Healthcare

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Size of Site	5	3	15	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Size of Building	3	3	9	2	6	2	6	2	6	
Building Layout	3	3	6	2	6	2	6	2	6	
Ability to Expand	5	3	15	1	5	3	15	2	20	
Availability of Water Utilities	5	2	10	3	15	2	10	2	10	
Availability of Electric Power	5	3	15	3	15	2	10	2	10	
Redundant Power Capabilities	5	3	15	3	15	1	5	1	5	
Availability of Renewable Power Generation	3	3	9	3	9	1	3	1	3	
Proximity to Electric Grid (Alt energy)	3	3	9	2	6	1	3	1	3	
Broadband infrastructure and Network Latency	3	3	9	3	9	1	3	1	3	
Disaster Risk	5	2	10	2	10	2	10	2	10	
Security and Forced Protection	5	1	5	3	15	2	10	2	10	
Wet Lab Space	5	3	15	2	10	2	10	2	10	
Truck Door Dock High	3	3	9	2	6	3	9	2	6	
Minimum 19 Foot Ceiling Clear Height	2	3	6	3	6	3	6	1	2	
3-phase electricity	5	2	10	2	10	1	5	1	5	

Targeted Industry Site Location Matrix

Industry Target: Healthcare

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Climate	3	3	9	3	9	3	9	3	9	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Crime	5	2	6	2	6	2	6	2	6	
Recreation	3	3	9	3	9	3	9	3	9	
Amenities	3	3	9	2	6	2	6	2	6	
Housing costs/variety/availability	5	3	15	3	15	3	15	3	15	
Cost of living	5	3	15	3	15	3	15	3	15	
Access to Middle and Upper Income Neighborhoods	5	2	10	2	10	2	10	2	10	
Education System	5	2	10	2	10	2	10	2	10	

Targeted Industry Site Location Matrix

Industry Target: Healthcare

SUMMARY TABLE

Criteria	Bldg	Bldg	Bldg	Bldg
	1	2	3	4
Operating Costs	145	140	145	140
Operating Conditions	164	164	144	144
Building -Site	167	153	121	119
Quality of Life/Social	83	80	80	80
Grand Totals	559	537	490	483

Bldg 1 = Peoria Town Center
 Bldg 2 = Arrowhead E
 Bldg 3 = Olive
 Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Alternative Energy

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important
Electric Power Costs	3	2	6	2	6	2	6	2	6	
Water and Sewer Costs	5	2	10	2	10	2	10	2	10	
Natural Gas Costs	3	2	6	2	6	2	6	2	6	
Liquid Gas	3	2	6	2	6	2	6	2	6	1 = not very important
Cost of Real Estate	5	0	0	0	0	0	0	0	0	
Lease Rate	5	2	10	1	5	2	10	2	10	Rating
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10	1 = negative
Corporate Income Tax	5	3	15	3	15	3	15	3	15	2 = acceptable
Personal Income Tax	3	2	6	2	6	2	6	2	6	3 = exceeds criteria
Worker Comp	5	3	15	3	15	3	15	3	15	0 = Not applicable
Unemployment Insurance	5	3	15	3	15	3	15	3	15	
Transportation Costs	5	2	10	2	10	2	10	2	10	Bldg 1 = Peoria Town Center
Incentives	5	2	10	2	10	2	10	2	10	Bldg 2 = Arrowhead E
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15	Bldg 3 = Olive
Feedstock Cost (renewable energy)	5	2	10	3	15	3	15	3	15	Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Alternative Energy

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Office/Admin Support Labor Availability	3	2	6	2	6	2	6	2	6	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important
Technical Labor Availability	5	2	10	2	10	2	10	2	10	
Skilled Labor Availability	5	3	15	3	15	3	15	3	15	
Software Engineer Labor Availability	5	2	10	2	10	2	10	2	10	
University Enrollment in Software Engineering	5	1	5	1	5	1	5	1	5	1 = not very important
Labor Supply of Scientists	5	2	10	2	10	2	10	2	10	
Production Labor Availability	5	2	10	2	10	2	10	2	10	Rating
Workforce Development Programs	5	2	10	2	10	2	10	2	10	1 = negative
Career Technical Education	5	2	10	2	10	2	10	2	10	2 = acceptable
Educational Attainment	5	3	15	3	15	3	15	3	15	3 = exceeds criteria
Demographics of the Market Area	5	2	10	3	15	3	15	3	15	0 = Not applicable
Supply Chain and JIT Inventory	5	2	10	2	10	2	10	2	10	
Broadband Infrastructure	5	3	15	3	15	1	5	1	5	Bldg 1 = Peoria Town Center
Reliable and Redundant Power	5	3	15	3	15	1	5	1	5	Bldg 2 = Arrowhead E
Disaster Risk	5	2	10	3	15	3	15	3	15	Bldg 3 = Olive
Access to the Student Feeder Market	5	2	10	2	10	2	10	2	10	Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Alternative Energy

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Size of Site	5	2	15	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Size of Building	5	2	10	3	15	2	10	2	10		
Building Layout	3	2	6	3	9	2	6	2	6		
Ability to Expand	3	3	9	1	3	3	9	2	6		
Availability of Water Utilities	5	2	10	3	15	2	10	2	10		
Availability of Electric Power	3	3	9	3	9	2	6	2	6		
Redundant Power Capabilities	5	3	15	3	15	1	5	1	5		Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable
Availability of Renewable Power Generation	5	3	15	3	15	1	5	1	5		
Proximity to Electric Grid (Alt energy)	5	3	15	2	10	1	5	1	5		
Broadband infrastructure and Network Latency	5	3	15	3	15	1	5	1	5		
Disaster Risk	5	2	10	2	10	2	10	2	10		
Security and Forced Protection	5	1	5	3	15	2	10	2	10		
Wet Lab Space	1	2	2	2	2	2	2	2	2	Bldg 1 = Peoria Town Center	
Truck Door Dock High	3	2	6	2	6	3	9	2	6	Bldg 2 = Arrowhead E	
Minimum 19 Foot Ceiling Clear Height	2	2	4	3	6	3	6	1	2	Bldg 3 = Olive	
3-phase electricity	3	2	6	2	6	1	3	1	3	Bldg 4 = Seldon	

Targeted Industry Site Location Matrix

Industry Target: Alternative Energy

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF			
Climate	5	3	15	3	15	3	15	3	15	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important		
Crime	3	2	6	2	6	2	6	2	6			
Recreation	3	3	9	3	9	3	9	3	9			
Amenities	5	2	10	2	10	2	10	2	10			
Housing costs/variety/availability	5	3	15	3	15	3	15	3	15			
Cost of living	5	3	15	3	15	3	15	3	15			
Access to Middle and Upper Income Neighborhoods	5	2	10	2	10	2	10	2	10		Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable	
Education System	5	2	10	2	10	2	10	2	10			
												Bldg 1 = Peoria Town Center
												Bldg 2 = Arrowhead E
												Bldg 3 = Olive
												Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Alternative Energy

SUMMARY TABLE

Criteria	Bldg	Bldg	Bldg	Bldg
	1	2	3	4
Operating Costs	154	154	154	159
Operating Conditions	171	181	161	161
Building -Site	152	161	111	101
Quality of Life/Social	90	90	90	90
Grand Totals	567	586	516	511

Bldg 1 = Peoria Town Center
 Bldg 2 = Arrowhead E
 Bldg 3 = Olive
 Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Telecommunications

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Electric Power Costs	5	2	10	2	10	2	10	2	10		
Water and Sewer Costs	3	2	6	2	6	2	6	2	6		
Natural Gas Costs	3	2	6	2	6	2	6	2	6		
Liquid Gas	3	2	6	2	6	2	6	2	6		
Cost of Real Estate	5	0	0	0	0	0	0	0	0		
Lease Rate	5	2	10	1	5	2	10	1	5		Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10		
Corporate Income Tax	5	3	15	3	15	3	15	3	15		
Personal Income Tax	3	2	6	2	6	2	6	2	6		
Worker Comp	5	3	15	3	15	3	15	3	15		
Unemployment Insurance	5	3	15	3	15	3	15	3	15		
Transportation Costs	5	2	10	2	10	2	10	2	10		
Incentives	5	2	10	2	10	2	10	2	10		
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15		
Feedstock Cost (renewable energy)	3	3	9	3	9	3	9	3	9		

Targeted Industry Site Location Matrix

Industry Target: Telecommunications

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Office/Admin Support Labor Availability	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Technical Labor Availability	5	2	10	2	10	2	10	2	10		
Skilled Labor Availability	3	3	9	3	9	3	9	3	9		
Software Engineer Labor Availability	5	2	10	2	10	2	10	2	10		
University Enrollment in Software Engineering	5	1	5	1	5	1	5	1	5		
Labor Supply of Scientists	1	2	2	2	2	2	2	2	2		
Production Labor Availability	2	2	4	2	4	2	4	2	4		Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable
Workforce Development Programs	3	2	6	2	6	2	6	2	6		
Career Technical Education	3	2	6	2	6	2	6	2	6		
Educational Attainment	3	3	9	3	9	3	9	3	9		
Demographics of the Market Area	3	2	6	3	9	3	9	3	9		
Supply Chain and JIT Inventory	3	2	6	2	6	2	6	2	6		
Broadband Infrastructure	5	2	10	3	15	1	5	1	5		
Reliable and Redundant Power	5	3	15	3	15	1	5	1	5		
Disaster Risk	5	2	10	3	15	3	15	3	15		
Access to the Student Feeder Market	3	2	6	2	6	2	6	2	6		

Targeted Industry Site Location Matrix

Industry Target: Telecommunications

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Size of Site	3	3	9	2	6	2	6	2	6	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Size of Building	3	2	6	3	9	3	9	3	9		
Building Layout	3	2	6	3	9	3	9	3	9		
Ability to Expand	3	3	9	1	3	3	9	3	9		
Availability of Water Utilities	3	2	6	3	9	2	6	2	6		
Availability of Electric Power	5	3	15	3	15	2	10	2	10		
Redundant Power Capabilities	5	3	15	3	15	1	5	1	5		Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable
Availability of Renewable Power Generation	5	3	15	2	10	1	5	1	5		
Proximity to Electric Grid (Alt energy)	5	3	15	2	10	1	5	1	5		
Broadband infrastructure and Network Latency	5	3	15	2	10	1	5	1	5		
Disaster Risk	5	2	10	2	10	2	10	2	10		
Security and Forced Protection	5	1	5	3	15	2	10	2	10		
Wet Lab Space	1	2	2	2	2	2	2	2	2	Bldg 1 = Peoria Town Center	
Truck Door Dock High	2	3	6	2	4	3	6	2	4	Bldg 2 = Arrowhead E	
Minimum 19 Foot Ceiling Clear Height	1	3	3	3	3	3	3	2	2	Bldg 3 = Olive	
3-phase electricity	5	2	10	2	10	2	10	2	10	Bldg 4 = Seldon	

Targeted Industry Site Location Matrix

Industry Target: Telecommunications

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF		
Climate	2	3	6	3	6	3	6	3	6	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important	
Crime	5	2	10	2	10	2	10	2	10		
Recreation	3	3	9	3	9	3	9	3	9		
Amenities	3	2	6	2	6	2	6	2	6		
Housing costs/variety/availability	3	3	9	3	9	3	9	3	9		
Cost of living	5	3	15	3	15	3	15	3	15		
Access to Middle and Upper Income Neighborhoods	3	2	6	2	6	2	6	2	6		Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable
Education System	3	2	6	2	6	2	6	2	6		

Weighting Factors (WF)

5 = Critically important

3 = Very important

2 = Important

1 = not very important

Rating

1 = negative

2 = acceptable

3 = exceeds criteria

0 = Not applicable

Bldg 1 = Peoria Town Center

Bldg 2 = Arrowhead E

Bldg 3 = Olive

Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Telecommunications

SUMMARY TABLE

Criteria	Bldg 1	Bldg 2	Bldg 3	Bldg 4
Operating Costs	153	148	153	148
Operating Conditions	124	137	117	117
Building -Site	147	140	110	107
Quality of Life/Social	67	67	67	67
Grand Totals	491	492	447	439

Bldg 1 = Peoria Town Center

Bldg 2 = Arrowhead E

Bldg 3 = Olive

Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix A

Targeted Industry Site Location Matrix

Industry Target: Higher Education

Operating Costs

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Wage Rates	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Electric Power Costs	3	2	6	2	6	2	6	2	6	
Water and Sewer Costs	3	2	6	2	6	2	6	2	6	
Natural Gas Costs	3	2	6	2	6	2	6	2	6	
Liquid Gas	3	2	6	2	6	2	6	2	6	
Cost of Real Estate	5	0	0	0	0	0	0	0	0	
Lease Rate	5	3	15	1	5	2	10	1	5	
Real and Personal Property Tax	5	2	10	2	10	2	10	2	10	
Corporate Income Tax	3	3	9	3	9	3	9	3	9	
Personal Income Tax	3	2	6	2	6	2	6	2	6	
Worker Comp	3	3	9	3	9	3	9	3	9	
Unemployment Insurance	5	3	9	3	9	3	9	3	9	
Transportation Costs	5	2	10	2	10	2	10	2	10	
Incentives	5	2	10	2	10	2	10	2	10	
Tax Breaks and Exemptions	5	3	15	3	15	3	15	3	15	
Feedstock Cost (renewable energy)	3	3	9	3	9	3	9	3	9	

Targeted Industry Site Location Matrix

Industry Target: Higher Education

Operating Conditions

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF	
Office/Admin Support Labor Availability	5	2	10	2	10	2	10	2	10	Weighting Factors (WF) 5 = Critically important 3 = Very important 2 = Important 1 = not very important Rating 1 = negative 2 = acceptable 3 = exceeds criteria 0 = Not applicable Bldg 1 = Peoria Town Center Bldg 2 = Arrowhead E Bldg 3 = Olive Bldg 4 = Seldon
Technical Labor Availability	3	2	6	2	6	2	6	2	6	
Skilled Labor Availability	3	3	9	3	9	3	9	3	9	
Software Engineer Labor Availability	3	2	6	2	6	2	6	2	6	
University Enrollment in Software Engineering	3	1	3	1	3	1	3	1	3	
Labor Supply of Scientists	3	2	6	2	6	2	6	2	6	
Production Labor Availability	3	2	6	2	6	2	6	2	6	
Workforce Development Programs	3	2	6	2	6	2	6	2	6	
Career Technical Education	3	2	6	2	6	2	6	2	6	
Educational Attainment	5	3	15	3	15	3	15	3	15	
Demographics of the Market Area	5	3	15	3	15	3	15	3	15	
Supply Chain and JIT Inventory	1	2	2	2	2	2	2	2	2	
Broadband Infrastructure	3	3	9	2	6	1	3	1	3	
Reliable and Redundant Power	3	3	9	2	6	1	3	1	3	
Disaster Risk	3	3	9	2	6	3	9	3	9	
Access to the Student Feeder Market	3	2	6	2	6	2	6	2	6	

Targeted Industry Site Location Matrix

Industry Target: Higher Education

Building Site Requirements

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF
Size of Site	5	3	15	2	10	2	10	2	10
Size of Building	5	3	15	2	10	2	10	2	10
Building Layout	3	3	15	2	10	2	10	2	10
Ability to Expand	3	3	9	1	3	3	9	2	6
Availability of Water Utilities	5	2	10	3	15	2	10	2	10
Availability of Electric Power	5	2	10	3	15	2	10	2	10
Redundant Power Capabilities	3	3	9	3	9	1	3	1	3
Availability of Renewable Power Generation	3	3	9	2	6	1	3	1	3
Proximity to Electric Grid (Alt energy)	3	3	9	2	6	1	3	1	3
Broadband infrastructure and Network Latency	3	3	9	2	6	1	3	1	3
Disaster Risk	3	2	6	2	6	2	6	2	6
Security and Forced Protection	5	2	10	3	10	2	10	2	10
Wet Lab Space	3	3	9	2	6	2	6	2	6
Truck Door Dock High	2	3	6	2	4	3	6	2	4
Minimum 19 Foot Ceiling Clear Height	1	3	3	3	3	3	3	1	1
3-phase electricity	3	2	6	2	6	1	3	1	3

Weighting Factors (WF)

5 = Critically important

3 = Very important

2 = Important

1 = not very important

Rating

1 = negative

2 = acceptable

3 = exceeds criteria

0 = Not applicable

Bldg 1 = Peoria Town Center

Bldg 2 = Arrowhead E

Bldg 3 = Olive

Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Higher Education

Quality of Life/Social

Criteria	WF	Bldg 1	xWF	Bldg 2	xWF	Bldg 3	xWF	Bldg 4	xWF
Climate	3	3	9	3	9	3	9	3	9
Crime	5	2	10	2	10	2	10	2	10
Recreation	5	3	15	3	15	3	15	3	15
Amenities	5	3	15	2	10	2	10	2	10
Housing costs/variety/availability	5	3	15	3	15	3	15	3	15
Cost of living	5	3	15	3	15	3	15	3	15
Access to Middle and Upper Income Neighborhoods	3	2	6	2	6	2	6	2	6
Education System	5	2	10	2	10	2	10	2	10

Weighting Factors (WF)

5 = Critically important

3 = Very important

2 = Important

1 = not very important

Rating

1 = negative

2 = acceptable

3 = exceeds criteria

0 = Not applicable

Bldg 1 = Peoria Town Center

Bldg 2 = Arrowhead E

Bldg 3 = Olive

Bldg 4 = Seldon

Targeted Industry Site Location Matrix

Industry Target: Higher Education

SUMMARY TABLE

Criteria	1	2	3	4
Operating Costs	136	126	131	126
Operating Conditions	123	114	111	111
Building -Site	150	125	105	98
Quality of Life/Social	95	90	90	90
Grand Totals	504	455	437	425

Bldg 1 = Peoria Town Center

Bldg 2 = Arrowhead E

Bldg 3 = Olive

Bldg 4 = Seldon

Rating Results

Maximum Score

Greater than 500	Excellent
Between 400 and 499	Good
Between 300 and 399	Marginal
Less than 300	Poor

Appendix B

Phase 1 ci funding source matrix that specifically identifies funding sources, both at the state and federal levels, and which targeted industries are eligible for each funding source. Following the chart is a descriptor of each funding source, along with eligibility and requirements. This matrix is a design tool for the City to have on hand in the future as prospective end users and targeted industries analyze financing for their projects.

	Advanced Business Services	Advanced Manufacturing	Bioscience	Corporate or Divisional HQ	Health Care	Research & Development	Alternative Energy	Telecom	Higher Education
ARPA-E		x				x	x		
INSPIRE			X			x			x
MES		x							
MSE Research Grants			X						
SBIR Program	x	x	X		x	x	x	x	
STTR Program						x	x		
SunShot Initiative							x		
AZ Innovation Accelerator Program			X				x		
AZ Job Training Program	x	x	X	x	x	x	x	x	x
AZ Quality Jobs Program	x	x	X	x	x	x	x	x	x
AZ Research & Development Tax Credit			X			x			
AZ STEP Grant		x		x	x	x	x	x	
The Industrial Development Authority of the County of Maricopa		x		X	x	X			x
Peoria Industrial Development Authority		x		X	x	X			x
Private Activity Bonds		x		x	x	x			x

ARPA-E: US Department of Energy – Advanced Research Projects Agency-Energy

ARPA-E funds technology-focused, applied research and development aimed at creating real-world solutions to important problems in energy creation, distribution, and use. ARPA-E issues periodic Funding Opportunity Announcements (FOAs), which are focused on overcoming specific technical barriers around a specific energy area. ARPA-E also issues periodic OPEN FOAs to identify high-potential projects that address the full range of energy-related technologies, as well as funding solicitations aimed at supporting America's small business innovators.

Requirements:

There are various funding programs under ARPA-E. For details, go to: <https://arpa-e-foa.energy.gov/>

INSPIRE - National Science Foundation

Integrated NSF Support Promoting Interdisciplinary Research and Education (INSPIRE) to support bold interdisciplinary projects in all NSF-supported areas of science, engineering, and education research. The INSPIRE awards program was established to address some of the most complicated and pressing scientific problems that lie at the intersection of traditional disciplines. It is intended to encourage investigators to submit bold, exceptional proposals.

Requirements:

Every year a letter of intent is due Dec – March and full proposals are due in May. Proposals may only be submitted by the following:

- Universities and Colleges - Universities and two- and four-year colleges (including community colleges) accredited in, and having a campus located in the US, acting on behalf of their faculty members. Such organizations also are referred to as academic institutions.
- Non-profit, non-academic organizations: Independent museums, observatories, research labs, professional societies and similar organizations in the U.S. associated with educational or research activities.
- NSF-sponsored Federally Funded Research and Development Centers may submit. Non-NSF-sponsored FFRDCs are not permitted to submit proposals under this solicitation.

For more details, go to: http://www.nsf.gov/funding/pgm_summ.jsp?pims_id=504852

MES: National Science Foundation - Manufacturing Enterprise Systems

The MES program supports research on design, planning, and control of operations in manufacturing enterprises. Research is supported that impacts the analytical and computational techniques relevant to extended enterprise operations and that offer the prospect of implementable solutions. Topics of interest include analytical and computational tools for optimal planning, monitoring, control, and scheduling of manufacturing and distribution operations, including maintenance and repair.

Requirements:

Proposals are due September 1st – October 1st and January 15th – February 15th of every year.

For application and more details, go to: http://www.nsf.gov/funding/pgm_summ.jsp?pims_id=13342

MSE Research Grant Programs: U.S. Department of Commerce, National Institute of Standards and Technology - Measurement Science and Engineering

The MML Grant Program provides financial assistance consistent with the MML mission to support research in the following fields: analytical chemistry, biochemical science, ceramics, chemical and biochemical reference data, materials reliability, metallurgy, polymers, surface and microanalysis science, and thermophysical properties of materials. MML is one of two metrology laboratories within NIST that supports the NIST mission by serving as the national reference laboratory for measurements in the chemical, biological, and material sciences.

Requirements:

Proposals are due on a rolling basis by June 3rd, 2013. Proposals submitted after the deadline may be processed for the current fiscal year or the next fiscal year, subject to funds. Proposals may be submitted by: institutions of higher education; hospitals; non-profit organizations; commercial organizations; state, local, and Indian tribal governments; foreign governments; organizations under the jurisdiction of foreign governments; and international organizations.

SBIR Program: US Small Business Administration - Small Business Innovation Research

The mission of the SBIR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy. Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to allocate 2.5 percent of their R&D budget to these programs. Currently, eleven Federal agencies participate in the program: Department of Agriculture, Department of Commerce - National Institute of Standards and Technology, Department of Commerce - National Oceanic and

Atmospheric Administration, Department of Defense, Department of Education, Department of Energy, Department of Health and Human Services, Department of Homeland Security, Department of Transportation, Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation. Each agency administers its own individual program within guidelines established by Congress. These agencies designate R&D topics in their solicitations and accept proposals from small businesses. Awards are made on a competitive basis after proposal evaluation.

Requirements:

Only United States small businesses are eligible to participate in the SBIR program and must meet all of the following criteria:

- Organized for profit, with a place of business located in the United States;
- At least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States, or
- At least 51 percent owned and controlled by another for-profit business concern that is at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States; and
- No more than 500 employees, including affiliates

For application and more details, go to: <http://www.sbir.gov/about/about-sbir>

STTR: Small Business Technology Transfer Program

STTR is an important small business program that expands funding opportunities in the federal innovation research and development arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small business and the nation's premier nonprofit research institutions. STTR's most important role is to foster the innovation necessary to meet the nation's scientific and technological challenges in the 21st century.

Requirements:

Only United States small businesses are eligible to participate in the STTR program and must meet all of the following criteria:

- Organized for profit, with a place of business located in the United States;
- At least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States, or
- At least 51 percent owned and controlled by another for-profit business concern that is at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States; and
- No more than 500 employees, including affiliates

For application and more details, go to: <http://www.sbir.gov/about/about-sttr>

SunShot Initiative - US Department of Energy

To accomplish the goals of the SunShot Initiative, the U.S. Department of Energy (DOE) Solar Energy Technologies Program supports funding opportunities on photovoltaics and concentrating solar power, systems integration, and market transformation projects. An open, competitive solicitation process, these DOE funding opportunities encourage collaborative partnerships among industry, universities, national laboratories, federal, state, and local governments and non-government agencies and advocacy groups. Solicitations, when available, include financial and technical assistance.

Requirements:

There are multiple funding programs under the SunShot Initiative. For details, go to:

<http://www1.eere.energy.gov/solar/sunshot/index.html>

AZ Innovation Accelerator Fund

A \$18.2 million loan participation program funded through the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) and managed by the Arizona Commerce Authority (ACA). The goal of this program is to stimulate financing of small businesses and manufacturers, while fostering business expansion and job creation in the state of Arizona.

Requirements:

Eligible companies are:

- Businesses that demonstrate the potential to create or retain employment opportunities for Arizonans.
- For-profit, existing corporations, limited liability companies, partnerships, or other companies with fewer than 500 employees.
- Companies representing ACA target industries such as aerospace and defense, semiconductors, optics, bioscience, and renewable energy will receive priority.

Link to application: <http://www.azcommerce.com/arizona-innovation-accelerator-fund/>

AZ Job Training Grants Program

Established under A.R.S. §41-1541 *et seq.* and administered by the Arizona Commerce Authority. This program stimulates economic growth in Arizona by supporting the design and delivery of customized employee training plans. Depending on company size, wages, and industry, the Job Training Grants Program can provide reimbursable grants with training expenses. Up to \$5,000 per employee to assist companies in urban areas (\$8000 rural), 50% of the approved training costs for incumbent employees and up to 75% of the approved training costs for net new employees.

Requirements:

Eligible companies are:

- An employer, excluding government agencies, with at least one business location in this state
- A consortium of at least two employers with same or similar training needs
- A professional or trade association or a joint apprenticeship training committee
- A Small Business Development Center on behalf of a consortium

Link to application: <http://www.azcommerce.com/job-training/>

AZ Quality Jobs Tax Credit Program

Established under A.R.S. §41-1525 and administered by the Arizona Commerce Authority. The Quality Jobs Tax Credit Program stimulates job creation and capital investment across all Arizona industries. To qualify for the program, a company must, within 12 months of the three-year period, make a capital investment and hire a minimum of jobs. Offers up to \$9,000 income tax credit for each new "quality job" created over a three-year period by qualified companies. Eligible companies - any company making the minimum capital investment in Arizona and creating the minimum net new quality jobs can apply.

Requirements:

Eligibility qualifications are different for rural and metro areas:

- Urban - \$5 million Capital Investment and create at least 25 new qualified jobs.
- Rural - \$1 million Capital Investment and create at least 5 new qualified jobs.

Link to application: <http://www.azcommerce.com/quality-jobs/>

AZ Research & Development Tax Credit Program

Was enacted in 1992 for corporations and in 1999 for individuals, was modified by the AZ Legislature in 2009 and the Arizona Department of Revenue administers. The program provides an Arizona income tax credit for increased research and development activities conducted in this state, including research conducted at a state university and funded by the company. The goal of the program is to encourage Arizona businesses to continue investing in research and development activities. The R & D tax credit is equal to 24% of the first \$2.5 million in qualifying expenses plus 15% of the qualifying expenses in excess of \$2.5 million, from 2011-2017.

Requirements:

Eligible companies for a partial refund of its R&D tax credit are:

- Meets the eligibility requirements of A.R.S. §41-1507 and 43-1074.01 or 43-1168 and the company's current year's Arizona R&D tax credit exceeds its current year's tax liability.
- Submits an application to ACA and receives a Certification of Qualification prior to filing a tax return with Revenue.
- Employs less than 150 full-time employees company-wide as of December 31st of the taxable year.
- Remits a non-refundable processing fee equal to 1% of the company's tax credit being refunded.
- Does not exceed the tax year refund limitations under A.R.S. § 41-1507 (E)
- Complies with employer and business sanctions set forth in A.R.S. § 23-214 (B) and A.R.S. § 35-393.

Link to application: <http://www.azcommerce.com/research-development/>

AZ STEP Grant - Arizona's State Trade and Export Promotion Program

With funding under a grant from the U.S. Small Business Administration (SBA) and matching funds contributed by the Arizona Commerce Authority (ACA), ACA has launched Arizona's State Trade and Export Promotion (STEP) program which will be undertaken with public and private sector partners in Arizona. The STEP program will assist Arizona small businesses (defined as those with less than 500 employees) to enter export markets for the very first time or to expand into new markets. This will enable these businesses (which account for 98% of the businesses in Arizona) to increase their revenues via international sales and to thereby be even more significant engines for job creation and economic growth in Arizona.

Requirements:

Eligible companies must be in the following industries:

- Aviation
- Health & Life Science
- Computer Software & Services
- Clean Tech
- Corporate Headquarters
- Manufacturing
- Research & Development
- Wholesale Trade & Distribution.

Link to application: <http://www.azcommerce.com/az-step-grant/>

The Industrial Development Authority of the County of Maricopa

The Industrial Development Authority of the County of Maricopa was created in accordance with Arizona law to provide lower financing for qualified Projects through the issuance of revenue bonds. The Authority's Bonds are exempt from Arizona income taxation.

Requirements:

An eligible Applicant could be any public, private, or nonprofit organization. The proceeds of the Bonds can be used for either the purchase or lease of land, buildings, machinery or equipment which is suitable for:

- Manufacturing, processing, or assembling of manufactured or agricultural products.
- Storing, warehousing, distributing, or selling of industrial, agricultural, or mining products, or for related research and development.
- Buildings that serve as company headquarters or regional offices.
- Adaptive reuse for offices of buildings listed on the National Register of Historic Places.
- Rehabilitation of residential buildings located in a registered historic neighborhood.
- Healthcare institutions as defined in Arizona Revised Statutes.
- Educational institutions operated by a nonprofit organization which is nationally accredited and not funded by state monies.
- Multifamily rental housing, with a portion reserved for low and moderate income persons.
- Single family owner-occupied housing.
- Convention or trade show facilities.
- Facilities for solid waste or sewage disposal, electric energy, gas, or water.
- Industrial park facilities.
- Air or water pollution control facilities.
- Facilities for airports, docks, mass commuting, parking, storage, or related training.

The complete fee for filing the Application is \$3,000 (non-refundable). Link to application:

http://www.mcida.com/cm/content/how_the_authority_operates.asp

Peoria Industrial Development Authority

The Peoria Industrial Development Authority provides tax-exempt financing through industrial revenue bonds for the financing or refinancing of the cost of acquisition, construction, improvement, rehabilitation or equipping of a project.

Requirements:

1. Applicant estimates project's costs and benefits.
2. Applicant meets with independent bond council to determine feasibility of application.
3. Applicant refines costs and works with financing source.
4. Applicant submits the application with \$3,000 non-refundable fee to the PIDA for preliminary approval.
5. Within 30 days, the PIDA will hold public meeting for preliminary approval.
6. PIDA financial and legal advisors review application and make recommendation.
7. PIDA requests Arizona Dept. of Commerce allocate funds against the state volume cap; if necessary.
8. Applicant submits request for final PIDA approval.
9. Within 30 days, PIDA holds public meeting for final approval.
10. Peoria City Council votes to decide final approval.
11. The bonds are sold (either privately or publicly) and the transaction closes.

For more details and application, go to: http://www.peoriaed.com/ED_Secondary.aspx?id=50165

Private Activity Bonds (PAB)

Private Activity Bonds are securities issued by or on behalf of a local government to provide debt financing for projects used for the trade or business of a private user, as provided by IRC 141 et seq. Generally speaking investors purchase the bonds, and then the money is lent to private users for completion of the project. The investor's return comes through the operational proceeds of the project. There are two bond lotteries held each year with \$622,559,225 available for financing eligible projects in calendar year 2013. In addition, allocations can be requested through Director's Discretion.

Requirements:

Allocations are made on a first come, first served basis. The January lottery takes place the first business day of the year and the July lottery takes place the first business day of July. Limited to: industrial and manufacturing facilities and equipment, student loans, single and multi-family housing, private utility projects and some municipal facilities. Link to application:

<http://www.azcommerce.com/pab/>

Appendix C

Blue Ocean Biomanufacturing submitted a grant to the Economic Development Administration for funding to establish their Commercial Biomanufacturing Accelerator in Peoria. The application is attached. Additionally, there is an application for the Quality Jobs Tax Credit through the Arizona Commerce Authority (ACA), but in order to apply for other incentives through the ACA, you must first obtain a username and password through the ACA. The last form attached must be filled out in order to receive applications.

Opportunity Title:	FY 2013 Economic Development Assistance Programs
Offering Agency:	Economic Development Administration
CFDA Number:	11.300
CFDA Description:	Investments for Public Works and Economic Development F
Opportunity Number:	EDAP2013
Competition ID:	PW
Opportunity Open Date:	
Opportunity Close Date:	03/24/2014
Agency Contact:	Kerstin Millius Senior Program Analyst E-mail: kerstin.millius@eda.gov Phone: 202-482-3280

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name:

Mandatory Documents

Move Form to Complete

Move Form to Delete

Mandatory Documents for Submission

Application for Federal Assistance (SF-424)
 CD511 Form
 Assurances for Construction Programs (SF-424D)
 Budget Information for Construction Programs (S
 Economic Development Administration Application

Optional Documents

Disclosure of Lobbying Activities (SF-LLL)

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

Attachments

Instructions

- 1
Enter a name for the application in the Application Filing Name field.
 - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
 - You can save your application at any time by clicking the "Save" button at the top of your screen.
 - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.

- 2
Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.
 - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
 - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
 - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
 - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.

- 3
Click the "Save & Submit" button to submit your application to Grants.gov.
 - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
 - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
 - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
 - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate letter(s): _____ * Other (Specify): _____		
* 3. Date Received: Completed by Grants.gov upon submission.		4. Applicant Identifier: _____
5a. Federal Entity Identifier: _____		5b. Federal Award Identifier: _____
State Use Only:		
6. Date Received by State: _____		7. State Application Identifier: _____
8. APPLICANT INFORMATION:		
* a. Legal Name: _____		
* b. Employer/Taxpayer Identification Number (EIN/TIN): _____		* c. Organizational DUNS: _____
d. Address:		
* Street1: _____		
Street2: _____		
* City: _____		
County/Parish: _____		
* State: _____		
Province: _____		
* Country: _____ USA: UNITED STATES		
* Zip / Postal Code: _____		
e. Organizational Unit:		
Department Name: _____		Division Name: _____
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: _____		* First Name: _____
Middle Name: _____		
* Last Name: _____		
Suffix: _____		
Title: _____		
Organizational Affiliation: _____		
* Telephone Number: _____		Fax Number: _____
* Email: _____		

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

M: Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Economic Development Administration

11. Catalog of Federal Domestic Assistance Number:

11.300

CFDA Title:

Investments for Public Works and Economic Development Facilities

*** 12. Funding Opportunity Number:**

EDAP2013

* Title:

FY 2013 Economic Development Assistance Programs

13. Competition Identification Number:

PW

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Peoria Commercial Biomanufacturing Accelerator

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="2,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="20,000,000.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value=""/>
* g. TOTAL	<input type="text" value="22,000,000.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- Yes No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, 'New Restrictions on Lobbying.' The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, 'Disclosure Form to Report Lobbying,' in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

* NAME OF APPLICANT

[Redacted]

* AWARD NUMBER

[Redacted]

* PROJECT NAME

[Redacted]

Prefix: [Redacted] * First Name: [Redacted] Middle Name: [Redacted]

* Last Name: [Redacted] Suffix: [Redacted]

* Title: [Redacted]

* SIGNATURE:
Completed by Grants.gov upon submission.

* DATE:
Completed by Grants.gov upon submission.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, 'Disclosure Form to Report Lobbying,' in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 06/30/2014

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	* TITLE [Redacted]
* APPLICANT ORGANIZATION [Redacted]	* DATE SUBMITTED Completed on submission to Grants.gov

BUDGET INFORMATION - Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
2. Land, structures, rights-of-way, appraisals, etc.	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
3. Relocation expenses and payments	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
4. Architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
5. Other architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
6. Project inspection fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
7. Site work	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
8. Demolition and removal	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
9. Construction	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
10. Equipment	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
11. Miscellaneous	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
12. SUBTOTAL (sum of lines 1-11)	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>
13. Contingencies	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
14. SUBTOTAL	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>
15. Project (program) income	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text" value="0.00"/>
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c Multiply X <input type="text"/> %		\$ <input type="text" value="0.00"/>



Form ED-900 (Rev. 12/07),
OMB Control No. 0610-0094,
Expires 05/31/2013

ECONOMIC DEVELOPMENT ADMINISTRATION

**APPLICATION FOR
INVESTMENT ASSISTANCE**

The Economic Development Administration (EDA) uses the Application for Investment Assistance to evaluate applications under EDA's economic development assistance programs. EDA may ask applicants to provide supplemental information as needed during the evaluation and selection process. **Please visit our Internet website at www.eda.gov for more information on EDA's programs, selection and evaluation criteria, and application procedures, as set forth in applicable Federal Funding Opportunity (FFO) announcements. These FFO announcements are also published annually in the *Federal Register*.**

PWEDA Section 201 (CFDA No. 11.300) Public Works and Economic Development Program	Section A - To Be Completed by All Applicants
	Section B - Regional Eligibility (Public Works and Economic Adjustment Assistance)
PWEDA Section 203 (CFDA No. 11.302) Planning Program	Section C - Technical Assistance & Research/Evaluation Assistance
	Section D - To Be Completed by All Non-Governmental Applicants (excluding Public Universities)
PWEDA Section 207 (CFDA No. 11.303) Local and National Technical Assistance and University Center Economic Development Program	Section E - Budgeting and Staffing/Non-Construction Assistance
	Section F - Partnership Planning Assistance
	Section G - Short-Term Planning Assistance
	Section H - State Planning Assistance
PWEDA Section 207 (CFDA No. 11.312) Research and Evaluation Program	Section I - Local or National Technical Assistance
	Section J - University Center Program Assistance
PWEDA Section 209 (CFDA No. 11.307) Economic Adjustment Assistance Program	Section K - Economic Adjustment Assistance
	Section L - Revolving Loan Fund (RLF) Assistance
	Section M - Construction Assistance
	Section N - Design and Engineering Assistance

Application for Investment Assistance (Form ED-900)
OMB Control No. 0610-0094
Expires 05/31/2013

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless the collection of information displays a currently valid OMB Control Number.

The information requested in this Application for Investment Assistance is required to obtain or retain benefits from EDA pursuant to the Public Works and Economic Development Act of 1965 (PWEDA), as amended (42 U.S.C. 3121 *et seq.*). The reasons for collecting this information are to enable applicants to submit applications for financial assistance and to assist EDA in determining applicants' eligibility and compliance with legal and programmatic requirements. The information submitted on this application and in accompanying documents is subject to public disclosure under the Freedom of Information Act, as amended (5 U.S.C. 552), unless exempt from disclosure as trade secrets or privileged or confidential commercial or financial information under 5 U.S.C. 552(b)(4).

The public reporting burden for this collection of information is estimated to average 22 hours per response, including time for reviewing instructions, gathering data, and completing the application. Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing paperwork burden may be sent to: Economic Development Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, D.C. 20230, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

INSTRUCTIONS FOR ELECTRONIC AND HARDCOPY FORMATS

Electronic Submissions: Please visit <http://www.grants.gov/assets/FindApplyUserGuide.pdf> for detailed instructions on electronic submissions. This form is designed to be completed in **Adobe Acrobat Reader, versions 8.1.1 and above**. If using Adobe Acrobat Reader version 8.1.1 or above, all interactive features will work. Responses may be composed in a separate word processing program and then copied and pasted into the appropriate response field. NOTE: Applicants who would like to save a copy for their records must save a copy to their local hard drive under a unique name. Additional documentation or information applicants must provide may be submitted as electronic attachments using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov.

Hardcopy Submissions: EDA encourages applicants to submit applications in electronic format via www.Grants.gov. However, if the applicant is unable to complete this application using the latest compatible Adobe Reader version, the applicant may send in a hardcopy application. If submitting a hardcopy application, the applicant should print this application (ED-900), the SF-424, and either the SF-424A (Non-construction Investments) or the SF-424C (Construction Investments), and either the SF-424B (Non-Construction Investments) or the SF-424D (Construction Investments), and the CD-511, and type or print the responses. Applicants should mail the completed application to the appropriate Regional Office. See EDA's internet website (www.eda.gov) for a listing of Regional Offices.

NOTE ON EDA'S APPLICATION PROCESS

To limit the burden on the applicant, EDA only requests certain items of documentation if EDA determines that the applicant's project merits further consideration. Applicants should note that the following items will be subsequently requested if, and only if, EDA selects their project for further consideration:

For all types of projects:

- A copy of the region's Comprehensive Economic Development Strategy (CEDS) or alternate EDA-approved planning document
- Letters of commitment to document non-EDA funding

For construction projects only:

- USGS map of project site
- Letters of commitment from private beneficiaries of the proposed project
- Comments from the metropolitan area review/clearinghouse agency
- A legal opinion and other documentation, as necessary, verifying the applicant's answer to questions regarding project ownership, operation, maintenance, and management
- An engineering report
- An environmental narrative
- Documented approval from the State Historic Preservation Officer (SHPO)

For Revolving Loan Fund projects only:

- Revolving Loan Fund Plan

For non-profit applicants only:

- Certificate of good standing from the state
- A copy of the organization's Articles of Incorporation and By-Laws
- Resolution from a general purpose subdivision of government of a state acknowledging that the organization is acting in cooperation with officials of that subdivision
- Comments from a general purpose government entity (construction projects only)

SECTION A - TO BE COMPLETED BY ALL APPLICANTS

General Instructions

Please answer all questions completely and accurately and provide a concise narrative statement for each question below. Most narratives need not exceed one paragraph. Any attachments to this application may either be attached electronically through www.Grants.gov or submitted in hardcopy to the Regional Office (www.eda.gov/AboutEDA/Regions.xml) that processes applications for your state. Applicants should consult EDA's program requirements and evaluation criteria set forth in 13 C.F.R. Chapter III (EDA's regulations), as supplemented by the applicable Federal Funding Opportunity Announcement (FFO) on www.Grants.gov, when completing this application. (EDA's regulations begin on page 20 of the Federal Register notice posted at www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs2006/2006final_20rule_2epdf/v1/2006final_20rule.pdf.) Applicants are encouraged to contact an EDA representative (see list of Regional Offices above) for assistance in completing this application. Preparation of an application may involve coordination with other local, state and federal agencies. Public Works and Economic Adjustment Assistance projects must satisfy regional eligibility requirements (see 13 C.F.R. § 304.1). Legal citations referencing EDA's regulations are included for the applicant's information; however, all of the information needed to complete this application is contained within the form itself or within the web links included in this form. Legal assistance is not generally required to complete this form, although applicants may need to consult with an attorney concerning any legal issues implicated by the receipt of federal assistance.

Please indicate the type of EDA investment assistance for which you are applying. If you change the type of EDA Investment Assistance for which you are applying, make sure you save the application under a different file name.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Public Works | <i>(Complete Sections A, B, and M and Exhibits A, D and E.)</i> |
| <input type="checkbox"/> Economic Adjustment | <i>(Complete Sections A, B, and K and Exhibit C. Also Complete Sections M and Exhibits A, D, and E if request has construction components, and Section N if request has only design/engineering requirements. Complete Section E if request has no construction components.)</i> |
| <input type="checkbox"/> Partnership Planning | <i>(Complete Sections A, C, E, and F and Exhibit C.)</i> |
| <input type="checkbox"/> Short-term Planning | <i>(Complete Sections A, C, E, and G and Exhibit C.)</i> |
| <input type="checkbox"/> State Planning | <i>(Complete Sections A, C, E, G, and H and Exhibit C.)</i> |
| <input type="checkbox"/> University Center | <i>(Complete Sections A, C, E, and J and Exhibit C.)</i> |
| <input type="checkbox"/> Local Technical Assistance | <i>(Complete Sections A, C, E, and I and Exhibit C.)</i> |
| <input type="checkbox"/> National Technical Assistance | <i>(Complete Sections A, C, E, and I and Exhibit B.)</i> |
| <input type="checkbox"/> Research and Evaluation Assistance | <i>(Complete Sections A, C, E and Exhibit B.)</i> |
| <input type="checkbox"/> Revolving Loan Fund | <i>(Complete Sections A, B, E, K, and L and Exhibit C.)</i> |
| <input type="checkbox"/> Design and Engineering | <i>(Complete Sections A, B, and N and Exhibit C.)</i> |

Please indicate which type of applicant you are:

- Governmental (or quasi-governmental, to include District Organizations, universities, or public institutions of higher learning)
- Non-governmental (e.g. private or public non-profit organizations, for-profit organizations)

In addition to the sections specific to the program for which you are applying (see above), non-governmental applicants also must complete Section D.

A.1. Investment (Project) Region

Identify and describe the region where the project will be located, identify and describe the region that will benefit from the project (if different from or in addition to the region in which the project will be located), and discuss the project's expected economic impact. For purposes of this application, a region is defined as "an economic unit of human, natural, technological, capital or other resources, defined geographically. Geographic areas comprising a region need not be contiguous or defined by political boundaries, but should constitute a cohesive area capable of undertaking self-sustained economic development." (See 13 C.F.R. § 300.3 for the definition of "Region.")

The project is located in the southern section of Peoria, AZ. The proposed project will have impacts in the Peoria region, the Greater Phoenix region, Arizona, and the US Southwest.

A.2. Investment (Project) Description

Provide a detailed description of the complete scope of work for the proposed EDA investment. If you are proposing a construction project, please include specific construction components. Also, for National Technical Assistance, Training and Research and Evaluation Projects, provide a description of the methodology to be used to complete the project.

The project will install 2 cGMP biomanufacturing, one for biologics & one for nanomedicines, suites at 8606 Ludlow Drive in Peoria, AZ. A detailed scope of work is provided in the Project Narrative. All specifics for the construction scope of work are provided in the Engineering Report.

Note: If EDA determines that your project merits further consideration, and if your project includes construction, you will be required to provide a USGS map of the site. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

A.3. Economic Development Needs

- a. Does the region in which the project will be located have a Comprehensive Economic Development Strategy (CEDS)? (See www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs2006/cedsflyer081706_2epdf/v1/cedsflyer081706.pdf.) (Note: Except for strategy grants as described in 13 C.F.R. § 303.7, the region in which Public Works or Economic Adjustment projects will be located must have a CEDS with which the project is consistent.)

Yes

No

If Yes, what is the source? *Note: If you are unsure if your region has a CEDS, please contact your local District Organization.*

City of Peoria Economic Development Implementation Strategy (EDIS)

If No, what alternate strategic planning document do you wish to govern this investment? *Note: You will be asked to provide a copy of this planning document if your project is selected for further consideration. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.*

- b. Briefly describe the economic development needs of the region and how the proposed investment addresses the goals and objectives of the CEDS for the region or the alternate strategic planning document as noted above. (See 13 C.F.R. part 303.)

The economic development objectives of the Peoria economic development strategy that this project meets includes: building on the city's initiative to create a world-renowned bioscience incubator, a focus to develop and attract biotech and bioscience companies, workforce training and development, and reuse of unused under-utilized commercial and industrial lots. The CEDS objectives and how the Project meets them are further detailed in the Project Narrative.

- c. Briefly describe the economic conditions of the region described in A.1, as well as the economic adjustment problems or economic dislocations the region has experienced (or is about to experience) and the regional impact of these conditions.

The economic distress of the Peoria region is outlined in the Project Narratives section on Regional Eligibility. Factors of economic distress include: a non-diversified economic base, low percent of employees with graduate degrees, shortage of engineering degrees, high amount of out-commuters, old average workforce population, lack of available land to develop compounded by high land and construction costs.

A.4. Investment (Project) Impact and Fit with EDA Funding Priorities

Discuss how the proposed investment satisfies EDA's Investment Policy Guidelines as set forth in 13 C.F.R. § 301.8, as well as the EDA funding priorities set forth in the applicable Federal Funding Opportunity (FFO) announcement on www.Grants.gov.

We feel that the project fulfills all six (Collaborative regional innovation, public/private partnerships, national strategic priorities, global competitiveness, environmentally sustainable development, economically distressed communities) of the EDA's investment priorities in some part. Project's alignment with EDA investment priorities is further detailed in the attached Project Narrative.

A.5. Applicant's Capability

Briefly describe the applicant's capability to administer, implement, and attract private sector investments to the project.

A.6. Proposed Time Schedule for the Project

Provide a proposed time schedule for completion of the project, including when (month/year) the project will begin and end. Explain any potential issues that could affect project implementation.

With adequate funding the project can begin September 2013 at the latest and be completed by July 2014 at the latest. Completion of the Project is expected to take 9 months or less without any unforeseen delays. Project schedule detailed completely in attached Project Narrative.

A.7. Civil Rights

- a. Does the applicant understand and agree to comply with all applicable civil rights requirements (see 13 C.F.R. § 302.20), including the requirement to provide signed assurances of compliance? Yes No (explain below)

- b. Do identified "Other Parties" as defined in 13 C.F.R. § 302.20(b) understand and agree to comply with all applicable civil rights requirements, including the requirement to provide signed assurances of compliance?
 Yes No (explain below) Not Applicable (No Other Parties Identified)

A.8. Proposed Project Budget

- For Construction investments, complete Form SF-424C.
 For Non-Construction investments, complete Form SF-424A.

Note: If you are applying in hardcopy, you may download these forms from www.Grants.gov/techlib/SF424A-V1.0.pdf and www.Grants.gov/techlib/SF424C-V1.0.pdf, or go to EDA's website at www.eda.gov.

A.9. Non-EDA Funding for the Project

- a. Identify the source, nature and amount of all non-EDA funds, including in-kind contributions (non-cash contributions of space, equipment, services, or assumptions of debt; see definition of "In-Kind Contribution(s)" in 13 C.F.R. § 300.3). Explain the status of all funding commitments, including the date the funds will be available from each source, and describe any conditions or restrictions on the use of such funds. If in-kind contributions are included, explain the basis on which they are valued.

NON-PROFIT will receive funding from the City of Peoria. This money will be used to match the money requested in this grant proposal. The full amount of this matching money will be unencumbered and available by September 2013 at the latest. This money has been made available by the City of Peoria as part of their economic development budget.

- b. Are all non-EDA funds committed to the project, available as needed, and not conditioned or encumbered in any way that would preclude their use consistent with the purpose of the project? (See 13 C.F.R. § 301.5.) Yes No (explain below)

Note: If EDA determines that your project merits further consideration, and if your project includes construction, you will be required to provide letters of commitment. You may provide these now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

- c. Discuss the actions that need to be taken and the timing required to secure the non-EDA funds.

Funding from the City of Peoria will be available and unincumbered. Operating partner Blue Ocean Biomanufacturing has engaged an investment banker who has committed to investing in the Project to provide funding for initial operating expenses.

- d. Does the applicant plan to seek other federal financial assistance as part of or in connection with this project? If so, please describe the source, amount and any terms and conditions of the funding, and when the funding will be available for use by the applicant.

Yes (explain below) No

- e. Is the requested EDA investment assistance available from any other federal economic development program? Yes (explain below) No (explain below)

If Yes, identify the source and provide an explanation of why EDA investment assistance is required.

If No, explain your efforts to identify and obtain funding from other sources.

Funding opportunities for establishing this project were searched for through the NIH, NCI, DoC, DoD, NSF, and AZ State using Grants.gov, fbo.gov, and through respective organizations websites and representatives.

A.10. Lobbying Certifications

All applicants for federal financial assistance must certify that federal funds have not been used and will not be used for lobbying in connection with this request for federal financial assistance (Form CD-511). If non-federal funds have been or are planned to be used for lobbying in connection with this request for federal financial assistance, Form SF-LLL also must be completed. Please certify to the following:

- Applicant's "Certifications Regarding Lobbying" (Form CD-511) is completed. (If applicant is applying in hardcopy, access the form at www.Grants.gov or at EDA's website at www.eda.gov.)
- Applicant's "Disclosure of Lobbying Activities" (Form SF-LLL) is attached, if required. (If not required by law, also check the box. If applicant is applying in hardcopy, access the form at www.whitehouse.gov/omb/grants/sfillin.pdf.)

Note: Applicants must comply with 13 C.F.R. 302.10 regarding attorneys' and consultants' fees and the employment of expeditors. This regulation requires that applicants identify and disclose the amount of fees paid to anyone engaged to assist the applicant in obtaining assistance under the Public Works and Economic Development Act of 1965 (PWEDA), as amended.

A.11. Compliance with Executive Order 12372, State Single Point of Contact (SPOC)

- a. Does the state in which the project will be located have a project review process that requires submission to a Single Point of Contact (SPOC)? (See 13 C.F.R. § 302.9(b).) *Note: If you are unsure if your state has a Single Point of Contact, or do not know who this individual is, please refer to OMB's SPOC list (www.whitehouse.gov/omb/grants/spoc.html).*

Yes No (go to A.12)

- b. If Yes to A.11(a) above, does this request for EDA investment assistance meet the SPOC process established by the state?

Yes No (go to question A.11.d)

- c. If Yes to A.11(b) above, were SPOC comments/clearance received?

Yes, and the comments/clearance are attached.

No, the review period has expired and no comments were received.

d. If **No** to question A.11(b) above, please explain any known reason for the lack of comments.

A.12. Justification for Sole Source Procurement

- a. Will you subcontract work to complete part or all of this project?
 Yes **No**
- b. If **Yes**, will contracts be awarded by competitive bid?
 Yes **No**
- c. If contracts will **not** be awarded by competitive bid, please provide a justification. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders.
(See 15 C.F.R. § 14.40-14.48 or § 24.36, as applicable.)

A.13. Assurances

For Construction investments, complete Form SF-424D.
For Non-Construction investments, complete Form SF-424B.

Note: If you are applying in hardcopy, you may access these forms as part of the application package downloaded from www.Grants.gov, from www.Grants.gov/techlib/SF424B-V1.1.pdf and www.Grants.gov/techlib/SF424D-V1.1.pdf, or go to EDA's website at www.eda.gov.

SECTION B - REGIONAL ELIGIBILITY: TO BE COMPLETED BY APPLICANTS FOR PUBLIC WORKS OR ECONOMIC ADJUSTMENT ASSISTANCE ONLY

Public Works and Economic Adjustment Assistance projects (including Revolving Loan Fund Assistance and Design and Engineering Assistance) must satisfy regional eligibility requirements (see 13 C.F.R. part 301). This section will assist EDA in determining if the proposed project satisfies these eligibility requirements. Please answer all questions completely and accurately and attach explanations and supporting documentation where applicable.

1. Identify the region upon which the applicant is basing the eligibility calculation.

As described in the Project Narrative we are basing our regional eligibility on four regions: Peoria, Greater Phoenix, Arizona, and the Southwest US.

- a. If this region is **different** from the region described in Section A of this application, please explain.

- b. If this region is **not** defined by political boundaries (e.g., it is a neighborhood within a large city rather than an autonomous town), provide a description of the project region and documentation to show that: (i) the region is of sufficient size appropriate for the proposed project, and (ii) the area used for regional eligibility is the same as the area that will benefit from the proposed project.

2. **Source of data provided for regional eligibility determination:** Check the source of data used to determine regional eligibility, and **attach an explanation and a copy of this data** (additional documentation or information applicants must provide may be submitted as electronic attachments using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov). The explanation must: (i) identify the data used (e.g., American Community Survey (ACS)); (ii) if the data used are other than the ACS, explain why ACS data were not used; and (iii) if the data used are other than federal data, explain why federal data were not used and identify the source of the non-federal data. ACS data (www.census.gov/acs) should be used whenever possible, but if such data are not available, the order of data preference is as listed below.

- a. The most recent ACS data published by the U.S. Census Bureau.
- b. The most recent other federal data for the region in which the project is located (e.g., U.S. Census Bureau or the Bureaus of Economic Analysis, Labor Statistics, Indian Affairs, etc.)
- c. If no federal data are available, the most recent data available through the state government for the region in which the project is located.
- d. Other data to substantiate regional eligibility based on a "Special Need" as defined in 13 C.F.R. § 300.3.

3. **Economic Distress:** Check all that apply in establishing regional eligibility (see 13 C.F.R. § 301.3 (a)(1)):

- A. **Unemployment rate:** The project is located in a region that has an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point above the national unemployment rate.
- B. **Per capita income:** The project is located in a region that has a per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income.
- C. **Special need:** The project is located in a region that has experienced or is about to experience a "Special Need" (as defined in 13 C.F.R. § 300.3) arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, including:
 - Substantial out-migration or population loss;
 - Underemployment; that is, employment of workers at less than full-time or at less skilled tasks than their training or abilities permit;
 - Military base closure or realignment, defense contractor reductions-in-force, or U.S. Department of Energy defense-related funding reductions;
 - Natural or other major disasters or emergencies;
 - Extraordinary depletion of natural resources;
 - Closing or restructuring of an industrial firm or loss of other major employer;
 - Negative effects of changing trade patterns; or
 - Other circumstances set forth in the applicable FFO (please explain below).

Other Special Need criteria described in Project Narrative.

4. **Substantial Direct Benefit:** A project located within an Economic Development District (EDD) that is located in a region that does not meet the economic distress criteria set forth in section B.3 above, is also eligible for EDA investment assistance if EDA determines that the project will be of "substantial direct benefit" to a geographic area within the EDD that meets the distress criteria set forth in question B.3 above by providing significant employment opportunities for unemployed, underemployed, or low-income residents of the distressed geographic area within the EDD. If applicable, identify the EDD in which the proposed project will be located, as well as the geographic area within the EDD that meets the economic distress criteria detailed in section B.3. above, and explain how the proposed project will provide a substantial direct benefit to this geographic area within the EDD. (See 13 C.F.R. § 301.3 (a)(2).)

- No, not applicable.** The project is located in a region that meets the economic distress criteria in section B.3.
- Yes,** this project will provide a "substantial direct benefit" to residents of an area meeting the economic distress criteria. Please provide an explanation below.

If Yes, explain:

5. **Project Beneficiaries:** Identify private sector employers that will benefit from the project, and attach letters of commitment electronically (using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov) or in hardcopy, if available. In the last column, select 'Committed' if the company has committed to being a partner in the project or 'Interest Only' if it has merely expressed interest. PLEASE NOTE: Exhibit A must be completed for EACH beneficiary listed in the chart below. The applicant must send an electronic or hard copy of Exhibit A to each beneficiary. Each beneficiary should then complete Exhibit A and return to the applicant. Once received, the applicant can attach Exhibit A (all copies) electronically using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or the applicant can submit Exhibit A (all copies) as part of a hard copy application.

If none, check this box, do not complete this chart, and go to Section C.

Company	Products and Services Produced by Company (5 digit NAICS code)	Number of Company Jobs Saved by Project	Number of Company Jobs Created by Project	Amount of Company Investment (\$)	Company Committed or Only Interested?
Blue Ocean Biomanufacturing	32541	5	80	3,000,000.00	Committed
Nemucore Medical Innovations	54171				Committed
NON-PROFIT	54169				Committed
Blue Sky BioServices	54171				Committed

Note: If EDA determines that your project merits further consideration, you will be required to provide letters of commitment from the project's beneficiaries, verifying the above information.

SECTION D - TO BE COMPLETED BY ALL NON-GOVERNMENTAL APPLICANTS (EXCLUDING PUBLIC UNIVERSITIES AND DISTRICT ORGANIZATIONS)

1. All non-governmental applicants for federal financial assistance must provide a 'Name Check' form (Form CD-346) completed by each officer, the executive director, and the chief financial officer of the applicant organization, unless: (i) proposed award amounts are \$100,000 or less; or (ii) applicants have been recipients of DOC financial assistance for three or more consecutive years without any adverse programmatic or audit findings.

Unless you meet one of the two exemption criteria listed above, please list the names of your organization's Chief Financial Officer, Executive Director, and all other officers.

Yes, applicant's "Name Check" form(s) is/are attached. (Download form from www.doc.gov/forms/direct.htm.) Additional documentation or information applicants must provide may be submitted as electronic attachments using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov.

No, applicant's "Name Check" form(s) is/are not attached. **If No**, explain below.

2. Non-profit organization applicants must provide a current Certificate of Good Standing from the State in which they are incorporated.

Can you provide a Certificate of Good Standing (or its legal equivalent) from the State in which your organization is incorporated?

Yes No (explain below)

Note: You will be asked to provide this at a later date if your project is selected for further consideration. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

3. New non-profit organization applicants must provide their Articles of Incorporation and By-Laws. Non-profits with an active EDA grant must either provide a) a revised copy of their Articles of Incorporation or By-Laws if these have been amended or b) a statement certifying that there has been no change in the organization's Articles of Incorporation or By-Laws.

Can you provide this?

Yes No (explain below)

Note: You will be asked to provide this at a later date if your project is selected for further consideration. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

4. Will you be able to provide a resolution passed by (or a letter signed by) an authorized representative of a general purpose political subdivision of a State (e.g., local government entity), acknowledging that the applicant is acting in cooperation with officials of the political subdivision? EDA may waive this requirement for certain projects of significant regional or national scope. (See 13 C.F.R. § 301.2(b).)

Yes No (explain below)

Note: You will be asked to provide these comments at a later date if your project is selected for further consideration. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

5. If you are applying for a construction or RLF investment, you must afford the appropriate general purpose governmental authority a minimum of 15 days to review and comment on the proposed project. (See 13 C.F.R. § 302.9(a).) *Note: You will be asked to provide this at a later date if your project is selected for further consideration.*

Will you be able to provide these comments?

- Yes
- Not applicable**, because I am not applying for a construction or RLF grant.
- No**, for another reason (explain)

SECTION M - TO BE COMPLETED BY CONSTRUCTION ASSISTANCE APPLICANTS ONLY

Are you applying for Construction Assistance?

- Yes** **No**

M.1. Metropolitan Area Review

- a. Projects involving the development of hospitals, airports, libraries, water supply and distribution facilities, sewage and waste treatment works, highways, transportation facilities, water development, or land conservation within a metropolitan statistical area (MSA), require comments from the metropolitan area clearinghouse/agency. Does the proposed project involve any of the above identified developments within an MSA?
- Yes** **No**
- b. If **Yes**, please indicate which of the following you will be able to provide:
- Comments from the responsible metropolitan area clearinghouse/agency and a statement that such comments have been considered; or
 - An explanation as to why comments are not available; or
 - A statement indicating the date the application was made available to the appropriate metropolitan area clearinghouse/agency and units of general local government for review and certifying that the application has been before the metropolitan area clearinghouse/agency for a period of 60 days without comments or recommendations.

M.2. District Organization Project Administration

Will the District Organization for the region in which the project will be located administer the project for the applicant? Yes No

If **Yes**, you must certify to all of the following and indicate your certification by checking each box:

- The administration of the project is beyond the capacity of the applicant's current staff and would require hiring additional staff or contracting for such services;
- No local organization/ business exists that could administer the project in a more efficient or cost-effective manner than the District Organization; and
- The District Organization will administer the project without subcontracting the work.

If the project will be administered by the District Organization and you did not certify to all of the above, explain below.

M.3. Engineering Report

An engineering report must be submitted **if EDA selects the project for further consideration** and must include (at a minimum) the following information:

1. A statement of project components. Indicate if the proposed project involves the construction of a new facility or facilities or the enlargement, expansion, renovation, or replacement of an existing facility or facilities. Describe the existing facility and proposed project components in terms of dimensions, capacities, quantities, etc.
2. Clear copies of sketches or schematics showing the general layout and location of the project components.
3. A feasibility analysis. Include a review of existing conditions. Discuss any potential problems that might delay construction and affect project components.
4. A proposed method of construction. Indicate whether the project will be constructed by competitive bid, single contract, or multiple contracts. Indicate if any portion of the construction work is proposed to be done by design/build, construction management at risk, or by the applicant's own forces.
5. An estimate of useful life of the facility and an explanation of basis on which it is determined.
6. A current detailed construction cost estimate for each of project component, showing quantities, unit prices, and total costs.
7. A list of all permits required for the proposed project and the status of each permit.
8. An estimate of the number of months for each of the following: (i) design period, (ii) solicitation of bids and awarding of contracts, and (iii) construction period.

Will you be able to provide this information? Yes No (explain below)

Note: If this information is available at this time, you may submit it as an electronic attachment through www.Grants.gov or in hardcopy.

M.4. Title Requirements

a. Does the applicant currently hold title to all project facilities, underlying land, necessary easements, and rights-of-way required for the project?

Yes (go to question M.4.d) No (explain below)

b. If **No**, does the applicant plan to obtain title?

Yes

How and when will the applicant obtain title? (After answering this, go to question M.4(d))

No

Please explain why not (and answer question M.4(c))

c. If you indicated that the applicant does not currently have title and does not intend to obtain title, does the applicant hold a long-term lease or hold interest in project property for a period not less than the estimated useful life of the project?

Yes No

If **No**, Please explain below why EDA should not require the applicant to have title to or a long-term leasehold interest in the property.

d. Describe any required State permits, easements, rights-of-way or leases necessary to construct, operate, and maintain the project.

e. Describe any liens, mortgages, other encumbrances, reservations, reversionary interests or other restrictions on the applicant's interest in the property.

f. Is the project located on a military or Department of Energy installation that is closed or scheduled for closure or realignment?

Yes No

g. Does the project involve construction within a railroad's right-of-way or over a railroad crossing?

Yes (explain below) No

h. Does the project include construction of a highway owned by a State or local government (other than the applicant)?

Yes (explain below) No

M.5. Sale or Lease

a. Does the applicant intend to sell, lease, transfer, dedicate or otherwise convey any interest in the project facilities, underlying land, or any land improved with EDA investment assistance?

Yes (explain below) No

b. Is the purpose of the project to construct facilities to serve industrial or commercial parks or sites owned by the applicant for sale or lease to private parties?

Yes No

If **Yes**, identify the owners of the acreage, provide an estimate of the number of acres benefiting from the proposed investment **and** explain how EDA's requirements will continue to be met after any sale or lease.

Note: If EDA determines the project merits further consideration, the applicant will be asked to provide documentation that EDA's requirements will continue to be met after the sale or lease.

c. Is the purpose of the project to construct facilities to serve privately-owned industrial or commercial parks or sites for sale or lease?

Yes No

If **Yes**, identify the owners of the acreage, provide an estimate of the number of acres benefiting from the proposed investment, and explain below how EDA's requirements will continue to be met after the sale or lease. Note that EDA may require evidence that the private party has title to the park or site prior to such sale or lease and condition the award of investment assistance upon assurances given by the private party that EDA determines are necessary to ensure consistency with the project purpose(s). (See 13 C.F.R. § 314.7.)

d. For privately-owned land, is the private owner willing to enter into an agreement to limit the sale price of the improved land to its fair market value before the improvements for a reasonable period of time?

Yes (explain below) No Not applicable (no private owners)

e. Is the purpose of the project to construct, renovate or purchase a building?

Yes (explain below) No (go to M.6)

f. Will the building be leased in whole or in part?

Yes (explain below) No

g. Is the purpose of the building to provide incubator space to new companies?

Yes (explain below) No

h. Will there be limitations on the length of the lease term?

Yes (explain below) No

i. Is the purpose of the project to provide building space to a single user or multiple users?
In either case, explain below the terms of the proposed lease.

M.6. Ownership, Operation, Maintenance and Management

a. Briefly describe plans for the ownership, operation, maintenance and management of all project facilities, including any land, improved land, structures, appurtenances thereto, other improvements, or personal property.

Note: You will be asked to provide a legal opinion verifying your answers to these questions if EDA selects the project for further consideration.

b. Will real property or project facilities to be acquired or improved with EDA investment assistance be owned, operated, or maintained by an entity other than the applicant?
(See 13 C.F.R. § 314.7.)

Yes (explain below) No

c. Will real property or project facilities to be acquired or improved with EDA investment assistance, including any industrial or commercial park acreage, be mortgaged or used to collateralize any type of financing, including but not limited to bonds or tax credits, or is any real property to be used for the project currently mortgaged or being used as collateral?

Yes (explain below) No

d. Will the applicant provide EDA a security interest or other statement of EDA's interest in the real property or in significant items of tangible personal property acquired or improved with EDA investment assistance? (See 13 C.F.R. §§ 314.8 and 314.9.)

- Yes No (explain below)

e. Is (or was) any real property to be acquired or improved with the proposed EDA investment assistance subject to eminent domain proceedings or the threat of such proceedings?

- Yes (explain below) No

f. Does the project include the acquisition or improvement of significant items of tangible personal property (i.e., items that are moveable and not permanently attached to the land, such as business equipment, furniture or vehicles)?

- Yes (explain below) No

M.7. Calculation of Estimated Relocation and Land Acquisition Expenses

All applicants must complete the "Calculation of Estimated Relocation and Land Acquisition Expenses" form (see Exhibit E), and enter the estimated total for "costs incidental to land acquisition" (line item 1) on line item 3 ("relocation expenses and payments") of **Form SF-424C**, 'Budget Information - Construction Programs.' This is separate from the estimated purchase price of the property.

a. Are relocation expenses part of the proposed project's EDA budget?

- Yes No

b. Will the proposed project cause the displacement of individuals, families, businesses or farms?

- Yes No

If **Yes**, explain how relocation procedures will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1990 (13 C.F.R. § 302.5 ; see Certification #11 on Form SF-424D, 'Assurances - Construction Programs, for an explanation of this requirement.)

M.8. Environmental Requirements

- a. Provide a brief physical description of the project site, noting topography, vegetation, bodies of water, and location and condition of any man-made structures or buildings. If available, provide a Geographic Information System (GIS) analysis of the sensitive environmental areas, including contaminated sites, archeological sites, properties or sites listed on the National Register of Historic Places, and wetlands that are within a two-mile radius of the project site.

Proposed project is located in the unused Arrowhead Facility at 8606 Ludlow Street. The building's interior and exterior have not been renovated. The project will have no impact on exterior topography, vegetation, or bodies of water.

- b. Will the project be located in or adjacent to a floodplain or wetland area?

Yes (explain)

No

- c. Will the project be located in or adjacent to an area with known hazardous or toxic contamination?

Yes (explain)

No

- d. Will there be any toxic or hazardous waste or asbestos removal associated with the project?

Yes (explain)

No

- e. Will the project impact any archeological sites, buildings or structures older than 50 years, or any properties listed or eligible for listing on the National Register of Historic Places?

Yes (explain)

No

Note: If EDA determines that the applicant's project merits further consideration, the applicant will be required to submit materials to the appropriate State Historic Preservation Officer (SHPO). Regardless of whether the applicant believes historic or archaeological artifacts are present, the applicant will be required to provide the SHPO with: (i) a narrative description of the project's elements and its location; (ii) a map of the area surrounding the project that identifies the project site, adjacent streets, and other identifiable objects; (iii) line drawings or sketches of the project; and (iv) photographs of the affected properties if building demolition or renovation is involved. Please note that the clearance process can be lengthy. When submitting this material to the SHPO, the applicant must request that the SHPO submit comments on the proposed project to the EDA Regional Office processing the application. If the applicant has already received comments from the SHPO, please provide as an electronic attachment (using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov) or in hardcopy.

- f. Will this project result in any other adverse environmental impacts that could affect endangered or threatened species, scenic rivers, or other sensitive ecological habitats?

Yes (explain)

No

- g. Has an environmental impact statement or other similar analysis been completed for this proposed project or for other activities in the region?

Yes (explain)

No (explain)

NON-PROFIT feels that there is no possibility for the project to impact the regions environment.

Federal agencies are required by law to assess the expected environmental impacts associated with proposed federal actions.

IF EDA SELECTS THE PROJECT FOR FURTHER CONSIDERATION, EDA may request additional information to obtain an understanding of the current environmental conditions and the project elements that will affect the environment.

It is important to understand the comprehensive nature of the information required to complete an environmental review in accordance with the National Environmental Policy Act (NEPA). Information must be provided for the: (i) site(s) where the proposed project facilities will be constructed and the surrounding areas affected by its operation; and (ii) areas to be affected by any primary beneficiaries of the project. The information submitted must be sufficient to evaluate all reasonable alternatives to the proposed project and the direct and indirect environmental impacts of the project, as well as the cumulative impacts on the environment as defined in the regulations for implementing the procedural provisions of NEPA (see 40 C.F.R. parts 1500-1508). The level of detail should be commensurate with the complexity and size of the project and the magnitude of the expected impact. Previously completed environmental impact documentation (assessments, impact statements, etc.) for activities in the region in which the proposed project will be located may be used as documentation.

h. Will you be able to provide the above information? **Yes** **No (explain)**

Note: If EDA selects the project for further consideration, the template for the environmental narrative that the applicant will be required to submit is available at the 'Funding Opportunities' portion of www.eda.gov. If you currently have this information, you may submit it as an electronic attachment (using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov) or in hardcopy.

Exhibit A.

ASSURANCES OF COMPLIANCE With Civil Rights and Other Legal Requirements (To Be Executed by "Other Parties")	
<p>"Other Party" is herein defined as an entity that creates and/or saves (or intends to create/and or save) 15 or more permanent jobs as a result of the Economic Development Assistance (EDA) investment assistance, provided that such entity is also either specifically named in the application as benefiting from the project or is or will be located in a building, port, facility, or industrial, commercial, or business park constructed or improved in whole or in part with EDA investment assistance prior to EDA's final disbursement of funds. See 13 C.F.R. § 302.20.</p>	
Applicant's Name:	"Other Party" Name:
<input type="text"/>	<input type="text"/>
Address:	
Street 1:	<input type="text"/>
Street 2:	<input type="text"/>
City:	County: <input type="text"/>
State:	<input type="text"/>
Province:	<input type="text"/>
Country:	<input type="text" value="USA: UNITED STATES"/>
Zip/Postal Code:	Phone Number: <input type="text"/>
<input type="text"/>	<input type="text"/>
<p>The obligations incurred under this form apply only to the building, port, facility, or industrial, commercial or business park constructed or improved in whole or in part with investment assistance from the EDA. This form must be executed by an "Other Party" who satisfies the following conditions:</p> <p><input type="checkbox"/> The "Other Party" will (or intends to) create and/or save fifteen (15) or more permanent jobs (estimated number of jobs <input type="text"/>) as a result of the EDA investment assistance; <u>and</u> (check applicable section below)</p> <p><input type="checkbox"/> (a) is specifically named in the application for EDA investment assistance as benefiting from the project; or</p> <p><input type="checkbox"/> (b) is or will be located in a building, port, facility, or industrial, commercial or business park constructed or improved in whole or in part with EDA investment assistance before EDA has made its final disbursement of EDA funds.</p>	
<p>ASSURANCES OF COMPLIANCE WITH THE U.S. DEPARTMENT OF COMMERCE AND EDA REGULATIONS (13 C.F.R. § 302.20) UNDER SECTION 601 OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, SECTION 112 OF PUBLIC LAW 92-65, TITLE IX OF THE EDUCATION AMENDMENTS OF 1972, SECTION 504 OF THE REHABILITATION ACT OF 1973, AND THE AGE DISCRIMINATION ACT OF 1975, ALL AS AMENDED.</p>	
<p>The "Other Party" assures that it will comply with Section 601 of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. part 8, and any amendments thereto.</p> <p>The "Other Party" agrees to comply with the provisions of Section 112 of Public Law 92-65 (42 U.S.C. 3123) and 42 U.S.C. 6709, and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. §§ 8.7-8.15, and any amendments thereto.</p> <p>The "Other Party" agrees to comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. part 8b; Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. part 20, and the non-discrimination on the basis of age regulations found at 45 C.F.R. part 90.</p>	

Such requirements hold that no person in the United States shall on the ground of race, color, national origin, sex, handicap, or age be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any program or activity for which federal financial assistance has been extended.

In accordance with these assurances and without limiting the above, the "Other Party" agrees that these assurances shall be binding upon it and any grantees, assignees, transferees, lessees, and successors in interest. These assurances shall also be binding through any modification or amendment to the financial assistance award or to the project.

The "Other Party" acknowledges that it is aware that if there appears to be a failure or threatened failure to comply with these assurances and the noncompliance or threatened noncompliance cannot be corrected by informal means, compliance may be effected by the suspension or termination of, or refusal to grant or to continue, federal financial assistance or by any other means authorized by law.

NOTICE

This form must be executed by an official authorized to make the aforementioned assurances, with full authority to bind the "Other Party" identified herein. If the "Other Party" is a corporation, this form must be executed by a corporate officer or person so authorized to make such assurances, and the title block must clearly indicate such authority. Assurance forms executed by employees other than corporate officers will not be accepted unless they are accompanied by a separate certification signed by a corporate officer or corporate counsel stating that the assurator has full authority to legally bind the "Other Party" identified below. In the case of an individual executing this assurance form as a sole owner, the sole owner's title must be indicated. For circumstances other than those discussed herein, contact the EDA Regional Office for instructions.

ACCEPTANCE OF ASSURANCES OF COMPLIANCE

These assurances are made binding for:

Name of "Other Party":

Address:

Street 1:

Street 2:

City:

County:

State:

Province:

Country:

Zip/Postal
Code:

Telephone
Number:

By:

Prefix:

First Name:

Middle Name:

Last Name:

Suffix:

*(Title of Corporate Officer)

(Signature of Official)

(Date)

* If the person signing this form is not a corporate officer, the company's corporate officer or corporate counsel must certify in writing that the signatory is authorized to legally bind the company. Such written certification should be included as an electronic signature through www.Grants.gov or in hardcopy.

--WARNING--

False statements or representations made in connection with the "ASSURANCES OF COMPLIANCE" are a violation of federal law punishable by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both (see 42 U.S.C. 3220; 18 U.S.C. 1001).

Exhibit D.

EDA CONSTRUCTION INVESTMENTS ADDITIONAL ASSURANCES

As a duly authorized representative of the applicant, I further certify that the applicant:

1. Will operate and maintain the facility in accordance with at least the minimum standards as may be required or prescribed by applicable federal, State and local agencies for the maintenance and operation of such facilities.
2. Will require the facility to be designed to comply with the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. 12101 *et seq.*), the Architectural Barriers Act of 1968 (42 U.S.C. 4151 *et seq.*) and the Accessibility Guidelines for Buildings and Facilities regulations, as amended (36 CFR part 1191), and will be responsible for conducting inspections to insure compliance with these requirements.
3. For the two-year period beginning on the date EDA investment assistance is awarded, will refrain from employing, offering any office or employment to, or retaining for professional services any person who, on the date on which the investment assistance is awarded or within the one-year (1) period ending on that date, served as an officer, attorney, agent or employee of the Department of Commerce and occupied a position or engaged in activities that EDA determines involved discretion with respect to the award of investment assistance under PWEDA. See section 606 of PWEDA and 13 C.F.R. §302.10(b).
4. Will have no facilities under ownership, lease or supervision to be utilized in this project that are listed or under consideration for listing on EPA's List of Violating Facilities.
5. Will comply with Executive Order 12699, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction," which imposes requirements that federally-assisted facilities be designed and constructed in accordance with the most current local building codes determined by the awarding agency or by the Interagency Committee for Seismic Safety in Construction (ICSSC) and the most recent edition of the American National Standards Institute Standards A58, Minimum Design Loads for Buildings and Other Structures.
6. Will observe and comply with federal procurement rules, as set forth in 15 CFR parts 14 or 24, as applicable, for award of any contracts for architectural engineering, grant administration services, or construction financed with EDA investment assistance.
7. Understands that attorneys' or consultants' fees, whether direct or indirect, expended for securing or obtaining EDA investment assistance are not eligible costs. See 13 C.F.R. § 302.10(a).
8. Understands that conflicts of interest or appearances of conflicts of interest are prohibited and may jeopardize this application, or result in the forfeiture of investment funds. A conflict of interest occurs, for example, where a representative, official, employee, architect, attorney, engineer or inspector of the applicant, or a representative or official of the Federal, State or local government, has a direct or indirect financial interest in the acquisition or furnishing of any materials, equipment or services to or in connection with the project. See 13 C.F.R. § 302.17.
9. Will comply with the reporting requirements under the Government Performance and Results Act of 1993 (GPRA) for measuring and reporting project performance.

Completed by Grants.gov upon submission	<div style="background-color: yellow; border: 1px solid red; height: 20px;"></div>
SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
<div style="background-color: yellow; border: 1px solid red; height: 20px;"></div>	Completed by Grants.gov upon submission
APPLICANT ORGANIZATION	DATE

Exhibit E.

**CALCULATION OF ESTIMATED RELOCATION
AND LAND ACQUISITION EXPENSES**

Are you applying for Construction Assistance? Yes No

ITEM 1. COSTS INCIDENTAL TO LAND ACQUISITION - ESTIMATES

Number of land transactions involved (including options, easements and rights-of-way):

Recording fees, transfer taxes, surveys, appraisals, title search and similar expenses-Section 303(1)	_____
Penalty costs-Section 303(2)	_____
Real Property taxes-Section 303(3)	_____
Litigation expenses-Section 304(a)	_____
Total - Estimated costs incidental to transfer of title	_____

ITEM 2. RELOCATION - ESTIMATES

a. TENANTS - Estimates: Number of Claims

(1) Moving Expenses:

Actual Expenses-Section 202(a)(1)	_____
In lieu payments-Section 202(b)	_____
Total - Moving Expenses	_____

(2) Replacement housing payments:

Rental payments-Section 204(1)	_____
Down payment-Section 204(2)	_____
Total - Replacement housing payments	_____
Total - Estimated Tenants	_____

b. OWNER-OCCUPANTS - Estimates: Number of Claims

(1) Moving expenses:

Actual Expenses-Section 202(a)(1)	_____
In lieu payments-Section 202(b)	_____
Total - Moving Expenses	_____

(2) Replacement housing payments:

Purchase payments-Section 203(a)(1)	_____
Reasonable replacement costs-Section 203(a)(1)(A)	_____
Increased interest costs-Section 203(a)(1)(B)	_____
Closing costs-Section 203(a)(1)(C)	_____
Rental payments-Section 204(1)	_____
Down payment-Section 204(2)	_____
Total - Replacement housing payments	_____
Total - Estimated Owner-Occupants	_____

c. BUSINESS - Estimates: Number of Claims

Moving Expenses:

Actual Expenses-Section 202(a)(1)

Actual loss of tangible personal property-Section 202(a)(2)

Actual searching expenses-Section 202(a)(3)

In lieu payments-Section 202(c)

Total - Estimated Business

d. NONPROFIT ORGANIZATIONS - Estimates: Number of Claims

Moving Expenses:

Actual Expenses-Section 202(a)(1)

Actual loss of tangible personal property-Section 202(a)(2)

Actual searching expenses-Section 202(a)(3)

In lieu payments-Section 202(c)

Total - Estimated Nonprofit Organizations

e. FARM OPERATIONS - Estimates: Number of Claims

Moving Expenses:

Actual Expenses-Section 202(a)(1)

Actual loss of tangible personal property-Section 202(a)(2)

Actual searching expenses-Section 202(a)(3)

In lieu payments-Section 202(c)

Total - Estimated Farm Operations

f. ADVISORY SERVICES - Estimates: Number of Claims

Total - Expenses of grantee/borrower-Section 205

g. ADMINISTRATION - Estimates: Number of Claims

Contracting with individual, firm, association, or corporation-
Section 212

Agreement w/ Federal or State government agency or
instrumentality- Section 212

Total - Estimated Administration

ITEM 3. GRAND TOTAL

Enter the sum of Items 1 and 2 (parts (a) through (g)) in this Item

GRAND TOTAL RELOCATION EXPENSES

ATTACHMENTS FORM

Instructions: On this form, you will attach the various files that make up your grant application. Please consult with the appropriate Agency Guidelines for more information about each needed file. Please remember that any files you attach must be in the document format and named as specified in the Guidelines.

Important: Please attach your files in the proper sequence. See the appropriate Agency Guidelines for details.

1) Please attach Attachment 1	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
2) Please attach Attachment 2	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
3) Please attach Attachment 3	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
4) Please attach Attachment 4	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
5) Please attach Attachment 5	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
6) Please attach Attachment 6	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
7) Please attach Attachment 7	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
8) Please attach Attachment 8	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
9) Please attach Attachment 9	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
10) Please attach Attachment 10	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
11) Please attach Attachment 11	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
12) Please attach Attachment 12	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
13) Please attach Attachment 13	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
14) Please attach Attachment 14	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment
15) Please attach Attachment 15	<input type="text"/>	Add Attachment	Delete Attachment	View Attachment

**Arizona Commerce Authority
Quality Jobs Tax Credit Program**

Return all application forms and attachments to:

Quality Jobs Tax Credit Program
Arizona Commerce Authority
333 North Central Avenue, Suite 1900
Phoenix, AZ 85004

Questions regarding the program can be directed to:
michelle@azcommerce.com

**APPLICATION FOR QUALITY JOBS
INCOME OR PREMIUM TAX CREDITS**
(A.R.S. §41-1525)

NOTE: Failure to timely report and certify to Arizona Commerce Authority disqualifies the taxpayer from the credit. See Section 3 of the Program Guidelines for details on Application Deadlines.

A separate form must be completed for each tax year and for each business location at which the business is claiming tax credits and. Submit this report to Commerce before filing form 345 with the Arizona Department of Revenue (<http://www.azdor.gov>) or form E-TAX with the Arizona Department of Insurance (<http://www.azinsurance.gov>), as applicable. See Section 7 of the Program Guidelines for additional information on Claiming the Tax Credit.

Section A: General Information

Business Name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Business Structure (select one):

Sole Proprietorship Corporation S-Corporation Partnership LLC

Business Contact: _____ Contact Title: _____

Contact Phone: _____ Contact Fax: _____

Contact Email: _____

Physical Address where credits are being claimed: _____

City: _____ State: _____ Zip: _____

Tax Year Reported: _____ Tax Year End Date: _____

Tax ID # _____ NAICS Code (3-6 digits) _____

Is the business reporting Income Tax Credits or Premium Tax Credits at this location?

Please select the primary business activity (more than 75%) at the location.

Aerospace & Defense Education & Healthcare Finance, Insurance, R.E.

Manufacturing Personal & Professional Services Renewable Energy

Research & Development Retail Science & Technology

Other _____

Section B: Income Tax and Premium Tax Credit Information

Calculate the average net new employment number at the location using the following table. Include only full time employees who were **employed at least 90 days during the taxable year**. Credits are not allowed for leased or contract employees or for employees acting as independent contractors. Companies filing a combined or consolidated tax return are considered to be one taxpayer. Limitations such as the 400 maximum qualified employment positions in a tax year apply to the combined or consolidated group. Taxpayers filing combined or consolidated returns that aggregate more than 400 new qualified employment positions for the tax year shall **adjust the number of employees for whom credits are claimed at each location to ensure the 400 limit is not exceeded**.

Worksheet for Net Increase in Employees		# of full-time employees in Current Taxable Year		# of full-time employees in Preceding Taxable Year	
1.	January 31 st				
2.	February 28 th or 29 th				
3.	March 31 st				
4.	April 30 th				
5.	May 31 st				
6.	June 30 th				
7.	July 31 st				
8.	August 31 st				
9.	September 30 th				
10.	October 31 st				
11.	November 30 th				
12.	December 31 st				
13.	Total (lines 1-12)				
14.	Total # of months during the taxable year in which you were in business.				
15.	Average (Divide # on line 13 by the # on line 14. Do not round)	(A)		(B)	

I Net Increase in Employees at the Location

Subtract 15(B) from 15(A) from the worksheet on the previous page. Write remainder here. If number is less than one, enter zero. If amount contains a decimal, round down to the next whole number. If line I equals zero, you are not eligible for any first year tax credits.

II New Qualified Employment Positions Created

Enter the number of qualified employment positions created at the location during the taxable year (*count only full-time positions filled at least 90 days and paying at or more than the county median wage with at least 65% of health insurance cost for employee paid by employer*). *New* means not employed within the preceding 12 months, unless relocated from out of state to Arizona during the tax year.



III Net Increase in Employees in the State of Arizona

- (A) *Current Employment* - Enter the average number of full-time employees of the taxpayer in the State of Arizona during the taxable year.
- (B) *Previous Years Employment* - Enter the average number of full-time employees of the taxpayer in the State of Arizona during the preceding taxable year.
- (C) *Net Increase in Employees in the State of Arizona* - Subtract III(B) from III(A) and write remainder here. If number is less than one, enter zero. If amount contains a decimal, round down to the next whole number.

IV Maximum Qualified Employment Positions per Taxpayer

400

V Maximum Eligible First Year Tax Credits

Maximum number of new qualified employment positions for which the taxpayer may claim credits. *Enter the smallest number of lines I, 2 or III(c).*

VI Estimated Number and Dollar Amount of Credits Claimed, Used and Carried Forward

Number

Dollar Amount

- a. Qualified Employment Positions for which business is claiming **first year** tax credits this year. Enter number from line VI and the total dollar amount of credits claimed.
- b. Qualified Employment Positions for which business is claiming **second year** tax credits this year. *(Limited to positions for which first year credits were claimed on the original return, not an amended return.)*
- c. Qualified Employment Positions for which business is claiming **third year** tax credits this year. *(Limited to positions for which first and second year credits were claimed on the original return, not an amended return.)*
- d. Enter **Total** amount of tax credits claimed this year.
- e. Enter the estimated amount of tax credits to be **used** in this tax year to offset tax liability.
- f. Enter the estimated amount of tax credits available for **carry forward** in all tax years.

1	*
*	*

¹ No second or third year tax credits can be claimed at this time.



VIII

Number and Dollar Amount of Credits Claimed, Used and Carried Forward on Prior Year's Tax Return

(Note: The use and carry forward of credits passed through to shareholders or partners must be reported.)

- a. Qualified Employment Positions for which business earned and claimed **first year** tax credits on the prior year's tax return.
- b. Qualified Employment Positions for which business earned and claimed **second year** tax credits on the prior year's tax return.
- c. Qualified Employment Positions for which business earned and claimed **third year** tax credits on the prior year's tax return.
- d. Enter **total** amount of tax credits claimed on the prior year's tax returns. (Should equal the sum of lines (a), (b) and (c) above.)
- e. Enter the amount of tax credits used to offset tax liabilities on the prior year's tax return. *(The use of credits passed through to shareholders or partners must be reported.)*
- f. In the table below, **enter** the amount of tax credits reported as carry forward on the prior year's tax returns. *(The carry forward of credits passed through to shareholders or partners must be reported.)*

	†	†
	†	†
	†	†
	†	†
	†	†
	†	†

		(a)	(b)	(c)	(d)	(e)
1)	Enter the tax year of the carry forward credit (in ascending order)	†	†	†	†	†
2)	Original credit amount	†	†	†	†	†
3)	Amount previously used	†	†	†	†	†
4)	Tentative carry forward <i>(Subtract line 3 from line 2)</i>	†	†	†	†	†
5)	Amount unallowable	†	†	†	†	†
6)	Available carry forward <i>(Subtract line 5 from line 4)</i>	†	†	†	†	†
7) Total dollar amount available for carry forward: Enter sum of (6.a) + (6.b) + (6.c) + (6.d) + (6.e)				†		



Section C: Capital Investment Information

What amount of capital investment was made during the current tax year and the prior tax year at the business location?

	Current Tax Year		Prior Tax Year
Land:	\$ _____	Land:	\$ _____
Buildings:	\$ _____	Buildings:	\$ _____
Machinery & Equipment	\$ _____	Machinery & Equipment	\$ _____
Fixtures:	\$ _____	Fixtures:	\$ _____
Total:	\$ _____	Total:	\$ _____

Section D: Payroll Information

What is the gross payroll for this tax year at this location? \$ _____

What is the average annual wage paid to all full-time employees this tax year at this location? \$ _____

What is the total payroll for **Qualified Employment Positions** at this location? \$ _____

What is the average annual wage for employees in **Qualified Employment Positions** at this location? \$ _____

Section E: Health Insurance Information

Employer must offer to pay at least 65% of the health insurance cost for employees that is provided by:

Policy # _____ Effective Dates _____ to _____

Company Name _____ Agent or Contact _____

Percent paid by company _____ % Phone Number _____

Is the company self-insured? Yes No

Section F: Supplemental Information
(See ACA Ruling 12-02 for additional details)

- To receive a Tax Credit Allocation Letter a processing will must be submitted. **Do not, however, submit a processing fee at this time.** Commerce will request the appropriate fee prior to issuing a Tax Credit Allocation Letter.
- Attach proof of participation in the federal [E-Verify program](#). A copy of the screen shot once logged in and their information is viewable or a copy of the Memorandum of Understanding (MOU) will suffice.
- Attach evidence of the capital investment made during the current tax year. Documentation can include, but is not limited to, the following:

Copies of cancelled checks, bank statements or completed wire transfers and their associated invoices and, a real estate settlement sheet, most recent county affidavit of property value, most recent Arizona business property statement, copies of leases with associated proof of payment, or a Federal IRS Form 4562 and all supporting schedules that identify, at a minimum, the piece of equipment, the date acquired, where placed in service and the cost.

- If employer is self-insured, attach documentation showing employer pays at least 65% of the fixed cost of the plan exclusive of claims payments, e.g. a copy of the Summary of the Plan or table of administrative fees and, etc.
- If the business name, address or ownership changed during the tax year, attach a description/explanation of the change.
- If the business files a consolidated or combined Arizona tax return, attach a list of the names and addresses of the member companies.

Please also provide the Tax Identification Number used when filing the consolidated or combined return. _____

- Complete and submit a hard copy of QJTC Form 2. Also provide the QJTC Form 2 electronically. Acceptable electronic media must be either Microsoft Excel spreadsheet or pdf file on a CD-ROM or DVD. The chosen media must be Microsoft Windows compatible.

Section G: Program Evaluation

How important a factor was the QJTC program in the applicant's decision to locate, expand or remain in Arizona?

- Very important Important Not important

How did you learn about the QJTC program?

Please share comments regarding your experience with the QJTC program:

Section H: Affidavit

As an officer of the applicant business, I certify under penalty of perjury that the information contained herein is true and correct according to my best belief and knowledge after a reasonable investigation of the facts. I understand that if the documents contain information that is materially false, the company will be ineligible for the tax credits under the Quality Jobs Tax Credit Program and will be subject to recovery of the amount of tax incentives allowed in this and preceding taxable years based on the false information, plus penalties and interest.

Further, the undersigned swears that:

- A. All Qualified Employment Positions (QEP) for all years:
 - 1. Are new full time permanent positions (at least 1,750 per year).
 - 2. Pay at least the County Median Wage.
 - 3. Provide health insurance for which the company offers to pay at least 65% of the premium or membership cost.
 - 4. Filled at least 90 days in the first taxable year and filled the entire taxable year during the second and third years of continuous employment
- B. All Employees for whom credits are taken:
 - 1. Are residents of the state of Arizona
 - 2. Are authorized to work legally in the U.S.
 - 3. Have not been previously employed by the taxpayer within 12 months of the current date of hire.
 - 4. Performed their job duties primarily (more than 50%) at the location of the business where the credit is being claimed.
- C. First, second and third year credits are taken only for positions on which credits were taken on the original, not amended, return.
- D. In accordance with A.R.S. §§ 23-214(b) and 35-397, all applicant employers must be participating in the E-Verify program in order to receive QJTC tax credits. Secondly, pursuant to the above statutes, by signing this application, the applicant is certifying that the business does not have scrutinized business operations in Iran or Sudan and is not otherwise lawfully precluded from participating in any public funding activity with any Federal, State or Local Government. Signing the application without disclosing all pertinent information about business investments and business operations in Iran or Sudan shall result in rejection or cancellation of the application. The State may also exercise any other remedy available by law.
- E. Information collected for purposes of the QJTC program is confidential taxpayer information. Commerce is ONLY authorized to release this information with consent of the taxpayer and as required by A.R.S. §41-1525(J). Do you consent to the release of the confidential taxpayer information pursuant to A.R.S. §41-1525(F)?

Yes

No

Print Name of Officer

Signature

Date



In an effort to streamline and expedite applications for the incentive programs offered by the Arizona Commerce Authority, we are pleased to offer a new service that enables businesses/individuals to apply for incentives electronically. The software being utilized is secure, readily accessible and user friendly. To access this new feature and apply for the ACA incentives, the business/individual must first obtain a username and password. Complete and submit the information below, and a unique username and password will be emailed to you **within 2 business days**.

Please note: the application system is structured in such a way that each application must be submitted via the company who will receive the incentive. If you are utilizing a third party (i.e. consultant, tax preparer or other) to apply for incentives, please identify the entity in the shaded fields below, otherwise, leave these fields blank.

Emails from the electronic application system will come from the following email address: no-reply@salesforce.com. To ensure that messages from the ACA Portal are not sent to your Junk or Bulk email folder, add no-reply@salesforce.com to your "Safe Senders List."

Request a Username & Password to Apply for ACA Incentives

* Business Name	
*Mailing Address	
*City, State, Zip	
*Industry	
*Contact Name	
Contact Title	
Contact Phone	
*Contact Email Address	
*Confirm Email Address	
3 rd Party Company Name	
*3 rd Party Contact Name	
*3 rd Party Contact Email Address	
*Confirm 3 rd Party Email Address	
3 rd Party Contact Phone	

Note: fields donated with an asterisk are required.

Appendix D

Blue Ocean Biomanufacturing **FULL CASE STUDY**



Wellspring – The Peoria Commercial Biomanufacturing Accelerator

Roadmap to Establish the Biomanufacturing Industry
Utilizing a Public Private Partnership in Peoria, AZ



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A Roadmap for Establishing the Biomanufacturing Industry in Peoria



Executive Summary



Executive Summary

Mission

- Reposition an existing building in Peoria, AZ as the future site of the Peoria Commercial Biomanufacturing Accelerator operated by Blue Ocean Biomanufacturing, Inc.

Methodology

- Perform an in depth analysis to understand the facility, financial, and business requirements and specifications required to establish a biomanufacturing ecosystem in Peoria.
- Determine the potential to repurpose selected commercial properties to initiate the long term regional growth of biomanufacturing through the Blue Ocean BioManufacturing strategic partner business model.



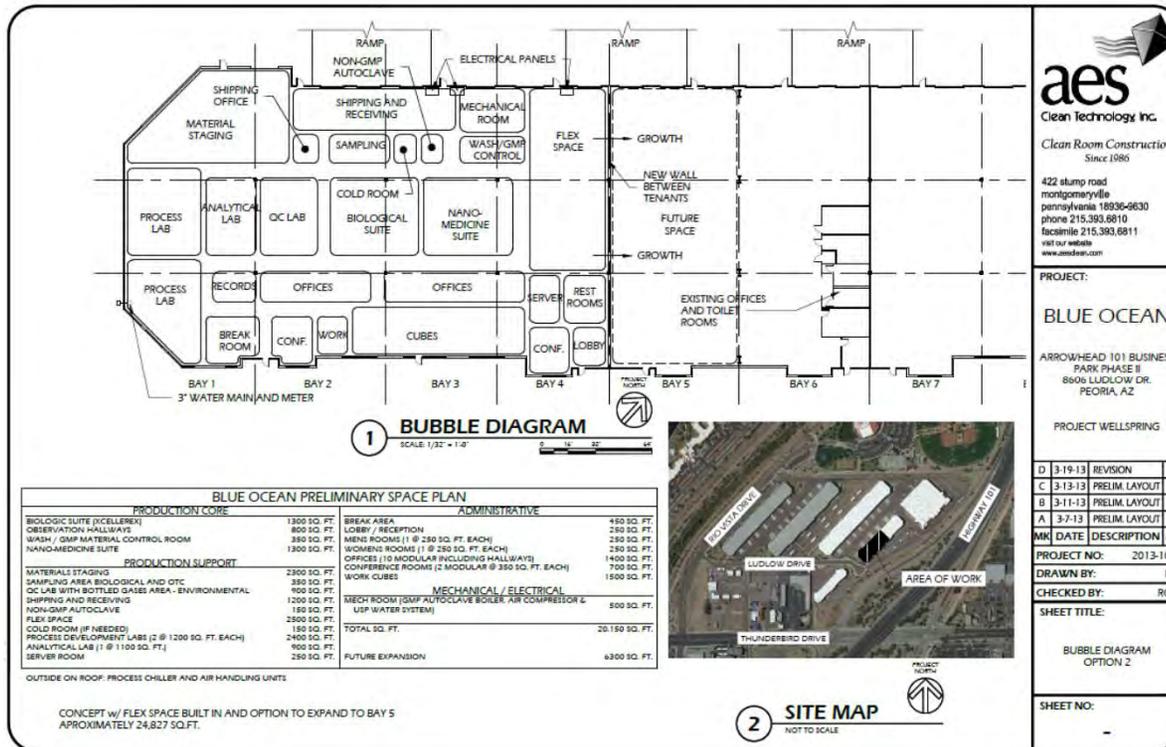
Executive Summary: Overview

- Scientific advances in the personalized medicine fields are rapidly changing the business model associated with traditional drug commercialization lifecycles. Higher yields, smaller markets, and revolutionary process development and manufacturing technologies are combining to accelerate the translation of drug development candidates to bedside drug products. The net result of this progress is that flexible biomanufacturing infrastructure can now be established in pre-selected locations at a significant reduction in cost compared to a decade ago. Such a regional bio-ecosystem will not only provide strategic drug manufacturing for in-state customers, but will also have the ability to attract nationwide drug customers. ***The combination of a rapidly expanding nationwide personalized medicine market with a robust regional biomanufacturing infrastructure will position greater Peoria for compelling economic growth and job creation.***
- The City of Peoria, Arizona is investigating the potential of how new industries could establish operations in the city to diversify the greater Peoria economic base. Biomanufacturing is one of the targeted industries and would leverage the growing healthcare and life science organizations in the region.
- Blue Ocean Biomanufacturing, Inc. (Blue Ocean) is a Strategic Manufacturing Partner for translational scientists at academic medical centers and emerging biopharmaceutical companies, focused on bringing long-term product development, clinical, and manufacturing support to their customers. Blue Ocean facilitates Public/Private partnerships to create sustainable biomanufacturing ecosystems that will accelerate compelling economic growth and job creation. Blue Ocean's goal is to collaborate with the Peoria economic consortium to launch a sustainable biomanufacturing foundation that will support the regional growth of a state-of-the-art bioproducts industry.



Executive Summary: Site Selection

Arrowhead 101 Business Park Phase II, 8606 Ludlow Dr., Peoria, AZ



aes
Clean Technology Inc.
Clean Room Construction Since 1985
422 stump road
montgomeryville
pennsylvania 18936-0630
phone 215.393.6810
facsimile 215.393.6811
visit our website
www.aesinc.com

PROJECT:
BLUE OCEAN
ARROWHEAD 101 BUSINESS
PARK PHASE II
8606 LUDLOW DR.
PEORIA, AZ
PROJECT WELLSPRING

REVISION	DATE	BY
D	3-19-13	FP
C	3-13-13	FP
B	3-11-13	FP
A	3-7-13	FP

DATE DESCRIPTION BY
MK 2013-106
PROJECT NO: 2013-106
DRAWN BY: FP
CHECKED BY: RGS
SHEET TITLE:
BUBBLE DIAGRAM
OPTION 2
SHEET NO: -



Executive Summary: Regulatory

Drugmakers Seeking Approval Under FDASIA Must Keep Manufacturing In Mind; FDA

Monday, March 25, 2013

“No matter how good your data and how important the unmet need, approval also hinges on where you have a manufacturing facility ready to go and a plan in place for scaling up production so you can manufacture your new drug and do so in a reliable, high quality facility.” Hamburg continued, *“too many start-up companies fail to recognize this fundamental fact, and so approval is delayed.”*



Executive Summary: Team



Mike Masterson, a Blue Ocean co-founder and Executive Chairman, is a highly accomplished engineer, business executive, entrepreneur, and investor with multi-decade experience in commercializing sustainable healthcare technologies and deep expertise in building healthcare businesses as the founder and CEO of multiple healthcare-related companies. Mr. Masterson is also the former CEO of Xcellerex where he was instrumental in transitioning the company from an early-stage startup to a commercial-track enterprise by raising over \$30M in investment capital.



Timothy Coleman is a Blue Ocean Biomanufacturing co-founder and CEO. He has been in the biotechnology industry for over 15 years and is a National Cancer Institute funded Principal Investigator. Before his current position he was the manager of the Biomedical Strategy Group in PricewaterhouseCoopers.



David Williams is the COO and President of Blue Ocean. He has over 25 years of experience in cGMP large and small molecule manufacturing operations, process development /scale-up, facility design and construction, state and local incentive development programs, and R&D.



Nicole Stephenson acts as the VP of Operations and coordinates the interaction of the financial and operational aspects of Blue Ocean. Previously Nicole worked at PricewaterhouseCoopers LLP as a Senior Associate from 2006-2011 as a member of the PwC's Health Industries Advisory Services Biomedical Strategy Group.



Executive Summary: Key Thoughts

Critical Factors for Success

- *Big Picture:* Last century was the century of physics, this century is the century of biology.
- *FDA:* Getting to an IND is not trivial, so strong partners like Blue Ocean are needed, to accelerate the INDs for clinical trials. Blue Ocean experience is invaluable.
- *Biomanufacturing:* Throughput is key to potential regional success.
- *Domain Experts:* World expert in Anthrax (AZ Scientist of the year Dr. Paul Keim) has the potential to develop new anthrax vaccines.
- *Product Quality:* Regulated industry combination of quality single use disposable technology and software.

Financial Implications

- *Product Success:* Normal attrition rate is 1:10, but a single hit would pay in perpetuity for Peoria in employment & tax base.
- *Government Support:* DOD, Homeland Security and CDC are all looking for vaccines and just one contract would be a home run.
- *Performance Metrics:* Self sustaining after 4-5 years.
- *Job Creation:* Potential for 5-10X in job growth.
- *Product ROI:* Even with at current failure rates of 90% they have chance of bringing a successful biologic to Peoria for Commercial Bio Manufacturing which could mean a 10X return on investment capital.



Executive Summary: Conclusions

- *Recommended Location:* A review of all the available buildings concluded that the Arrowhead building located at Arrowhead 101 Business Park Phase II, 8606 Ludlow Drive was an acceptable location to house Wellspring.
- *Market Validation:* Market analysis from a regional and ñuniqueö biologic products perspective indicates there is demand for small batch cGMP biomanufacturing. Additionally if the seminal biomanufacturing occurs in Peoria, there is a greater likelihood for future commercial scale manufacturing to occur in Peoria.
- *Customer Niche:* Most development needs reside within the small biotechs and should be the primary customer.
- *Long Term Strategy:* One of the primary business goals of Wellspring is to convert clients into long-term users of the FlexFactoryÎ platform so that larger, more commercial sized product specific facilities can be built in Peoria, AZ.
- *Financial Metrics:* Economic analysis indicates that the capital required to establish a manufacturing infrastructure will be ~\$15M to construct the facility with additional operating capital of ~\$5M over the first 24 months. Wellspring will initially employ ~40-50 people. Even though these pro forma financials illustrate a conservative growth trajectory, they represent a 70% reduction in cost from similar capabilities only a decade ago, and represent a blueprint for regional growth of a biomanufacturing industry.
- *Government Support:* Federal Funding opportunities exist with the NIH, DoD, DTRA, DARPA, and BARDA for operating funds, and the EDA has matching funds for capital investment with a special emphasis on the establishment of manufacturing.
- *Potential Grants:* Proposals that could result in the manufacturing of complex nanomedicines at Wellspring for tuberculosis and glioblastoma have been submitted with UCLA and TGen for \$19.4M and \$4.8M respectively.



*Biomanufacturing:
Paradigm Shifts in Equipment, Facility
Design and Business Model*



Traditional Biomanufacturing

- One facility for 1 drug = high risk.
- Traditional facilities have large, dedicated clean rooms in which each step of the manufacturing process is performed.
- This requires multiple clean rooms, separate gowning areas, and multiple personnel occupying each individual space.
- The process and the people are both inside the controlled environment. This setup has resulted in highly complex facility layouts with large capital investments.

Solution: Innovate around people, process, and facility to create a more effective cGMP biomanufacturing environment



New Business Model

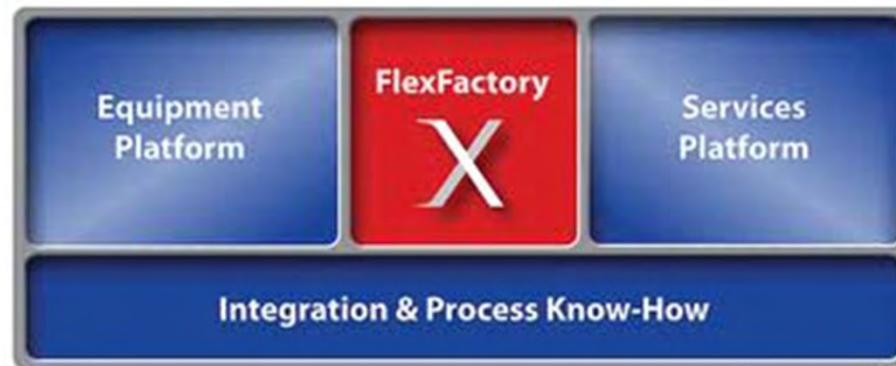
Required to Bring Novel Products to Patients

- “ New drugs will be molecularly informed by disease specific information but products will still need FDA approved manufacturing facilities to get to the clinic.
- “ Promote team based product development and integrate manufacturing to translate molecules from labs to clinic.
- “ Paradigm shift encouraged by Dr. Francis Collins of NIH and private foundations such as *Stand up to Cancer* and *Multiple Myeloma Foundation*.
- “ To create this paradigm shift biomanufacturing infrastructure and skills are a necessary requirement.
- “ Paradigm shift opens the door for communities like Peoria to strategically plan for biopharma industry entry point.



Enabling the Paradigm Shift

- GE subsidiary biomanufacturing equipment innovator, Xcellerex
 - One facility for infinite drugs = lower risk.
 - Strategic partner of Blue Ocean.
 - Revolutionizing biomanufacturing platform through the development of novel, industry leading single use disposable and supporting technology.
 - Proprietary FlexFactory[®] system lowers biomanufacturing capital expenditures and operating costs.



Enabling Biomanufacturing Technology

- Xcellerex technologies integrate the use of *disposables*, *controlled environment modules*, and *process automation* including FDA required electronic batch records.
- This manufacturing platform has advanced the way future nanomedicines, vaccines and biopharmaceuticals will be manufactured.



The New Look of Biomanufacturing



Microfluidics



Single use disposable 2000 Liter Bioreactor



Controlled Environmental Module Clean Rooms



Single-use mixing system



Single use disposable 200 Liter Bioreactor

Immediate Impact: Economic Advantage

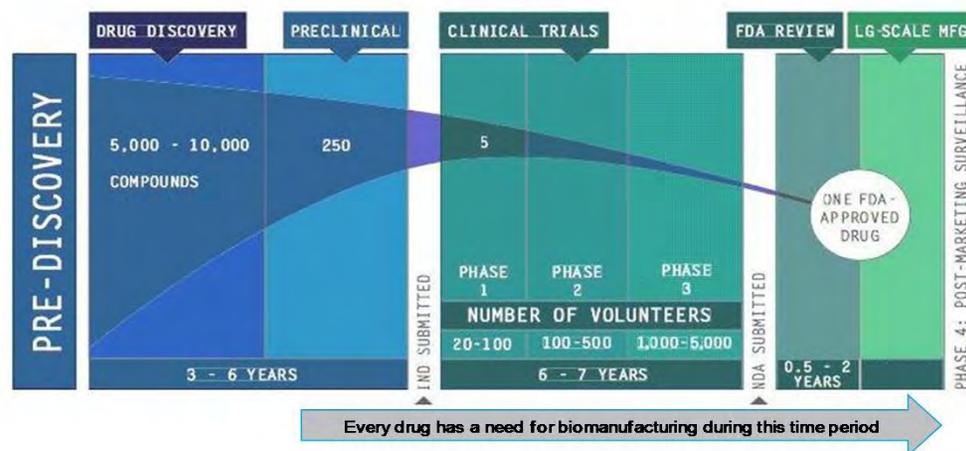
- Faster deployment of new manufacturing capacity: 12-18 months vs. 3-5 years.
- Reduced capital investment: Typical savings of 50% to 70% compared to conventional approaches.
- Unmatched flexibility: Modular microenvironment approach enables fast, low-cost redeployment for multi-drug production.
- Sustainable partner in GE Healthcare.

In the Wellspring facility a single row of Xcellerex equipment takes the place of multiple rooms in older facilities, resulting in lower initial and ongoing costs



Current Business Models

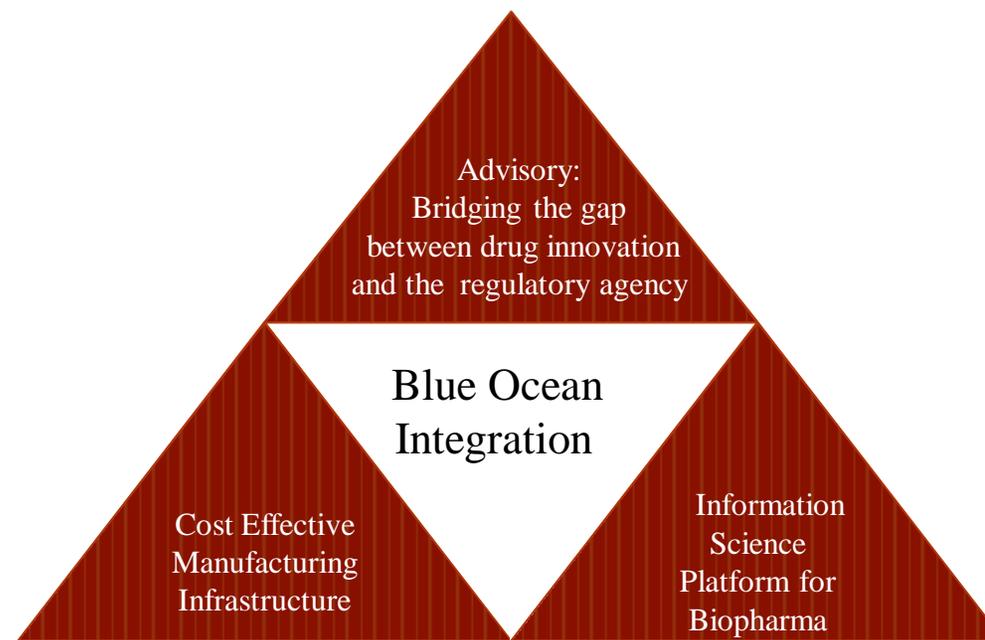
- Old pharma business model dependent upon generating a large # of initial molecules to create single drug.
- Tech Transfer and Process Development take time away from value-adding processes.



Solution: Innovate the the business model to become the Strategic Manufacturing Partner (SMP) to integrate better information earlier into the drug development process

Business Model Solution: SMP

- SMP allows for longer robust collaboration with clients prior to their need for manufacturing.
- Gives all translational scientists at emerging companies and investors access to skills, knowledge, and equipment repair to get FDA approval of IND.



Innovative Business Model SMP

- Today's biopharmaceutical development requires integrating knowledge with capital infrastructure
- Advisory
 - Provide sustainable governance infrastructure to facilitate novel drug development of networked groups.
 - Facilitation of realistic product concepts from core inventions and FDA required target product profile.
 - Facilitation of master biopharmaceutical development plan required by FDA.
- Manufacturing
 - Access to economical infrastructure and knowledge.
- Information System
 - Integrate key development information into a unique product knowledge database suitable for collaborative team work and management of data over development times, which can be several years in duration.



Blue Ocean Biomanufacturing: Innovative Integration

Blue Ocean's operating model bundles economical single use manufacturing capabilities (manufactured by GE subsidiary Xcellerex) with information systems (Pharma-Designs) while leveraging advisory services to provide a high level of value for clients



Biomanufacturing Information System

D-24

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The Problem

- Drug development is a complex process involving several disparate, networked collaborative parties.
- New business paradigm is that drug development teams include: university researchers, manufacturing and regulatory personnel, and clinicians.
- All use different languages, creating communication barriers ultimately jeopardizing the development process.



The Solution: Pharma-Designs Software

- Unifies all drug development throughout bench to bedside process with an innovative software package.
 - Clinicians, researchers, quality control and manufacturing personnel.
- Provides robust platform for information acquisition.
- Provides transparency to the multi-year drug development process by becoming the drug knowledge database.
- Facilitates answering key questions early that are often overlooked, potentially causing drug failure.
- Game changing tool ultimately cultivating an environment for advancing drugs to the clinic quicker.



Pharma-Designs: Enabling Team Science



University Researchers,
Biostatisticians,
Engineers



Clinicians



Pharma-Designs



Regulatory and Quality Personnel



Manufacturing Personnel



Pharma Designs & FlexFactoryi Integrate Seamlessly

- More efficient technology transfer
- Less ñre-doö process development
- More productive use of cGMP infrastructure



Arrowhead Business Park Facility Basis of Design (BoD)



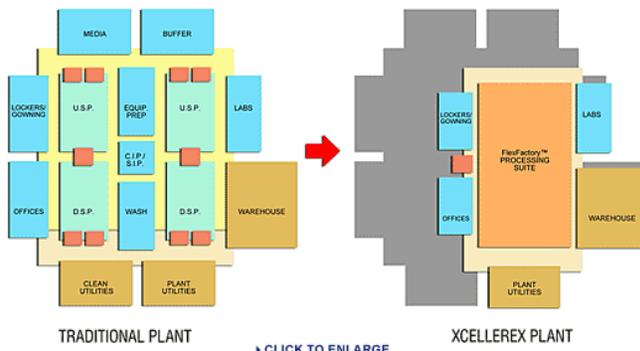
New Paradigm: Modular Biomanufacturing Facility

Engineered by AES Clean Technology, Inc.

- 50% reduction capital expenditure
- 70% reduction facility build out time
- 85% reduction in water usage
- 40% reduction in plant footprint
- 30% reduction in manufacturing, labor, and gowning costs



- Enhanced process development, flow, and optimization
- Enhanced batch product yields and reduction in Q/A process
- Simultaneous multi-product manufacturing and flexibility



BoD Overview

This Basis of Design (BOD) describes the architectural, mechanical and electrical, systems proposed for the Wellspring - Blue Ocean Biomanufacturing Facility Renovation located in Peoria, AZ. The purpose of these documents is to describe the design basis and the design intent in sufficient detail to serve as basis for future construction documents.

- **Basis of Design Format**
 - Information is categorized into the following trades:
 - Architectural
 - Mechanical
 - Electrical
 - Work By Others
 - Quality Planning



BoD Overview

AES Clean Technology, Inc. of Montgomeryville, PA was commissioned to provide the BoD engineering and architecture. AES shall coordinate all design functions with equipment vendors as contracted directly by Blue Ocean.

- The renovation will occur at the existing site as follows:
 - Mack Arrowhead 101 Business Park Phase II located at 8606 West Ludlow Drive, Building E (Built 2008)
 - Existing vacant one story building total \pm 63,533 square feet (divisible)
 - Actual Blue Ocean use approx. 24,827 square feet. Bays 1, 2, 3 & 4
 - 24øclear height
 - 10øx 10ødock doors
 - 12øx 14øgrade level doors
 - 180øtruck court
 - ESRF fire protection
 - Poured concrete tilt-up construction with steel roof framing. 3-ply Class 3 built up roof with mineral CAP sheet.
 - Zoning: PAD (Z04-39A.1)
 - Occupancy: B/S-1
 - Construction Type: 111-B, AFES
 - Existing A/C: located in Bays 1 thru 6
 - (20) 5-ton rooftop heat pumps
 - (2) 3-ton rooftop heat pumps
 - Power: Total 2000 AMP, 460-3ph-60 Hz



BoD Overview

Blue Ocean has programmed the design and construction of a new Wellspring Bio-Processing Facility with associated support spaces. The program will include design descriptions of the following spaces:

Production Core

- Biologic suite with personnel airlocks and material airlocks
- Nano-medicine suite with personnel airlocks and material airlocks
- Wash/GMP material control room
- Future biological suite expansion

Production Support

- Material staging
- Sampling area
- Sampling retention storage room with cold room
- QC lab with bottled gases area
- Process development labs (2)
- Analytical lab (1)
- Archive /record storage room (fire-rated)
- Server/telephone room
- Equipment staging area
- Warehouse staging
- Shipping and receiving
- Non-GMP autoclave area
- Misc. storage

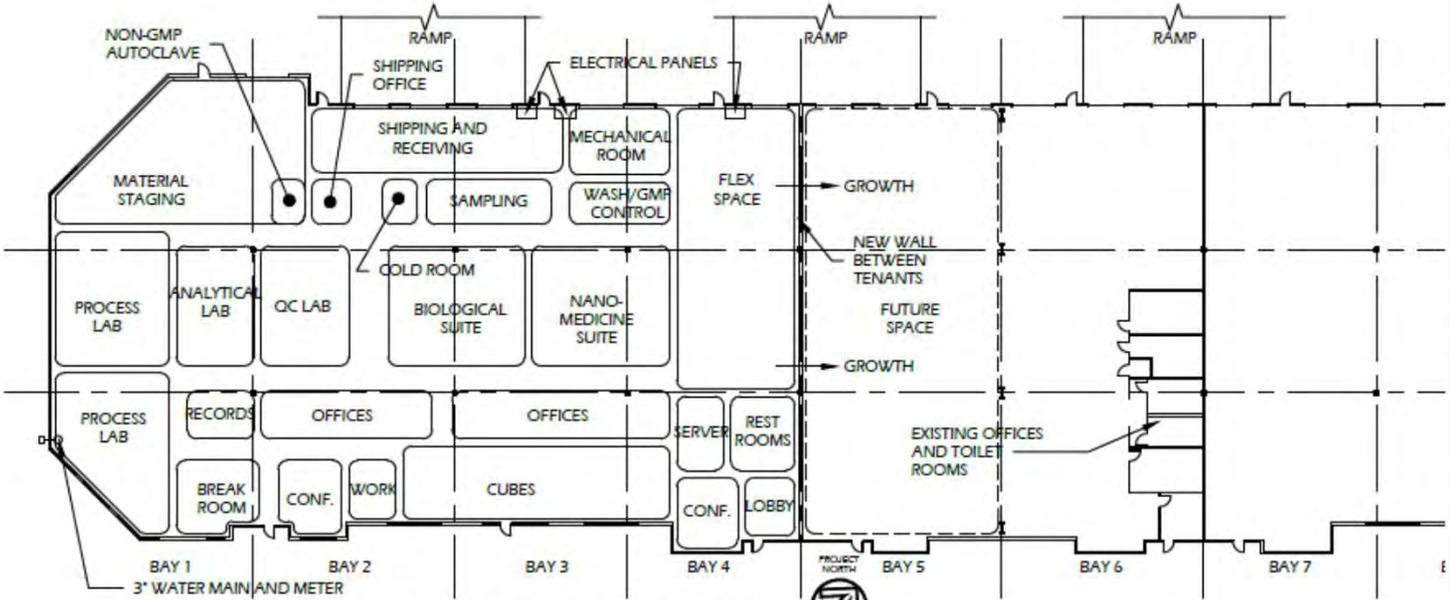
Administrative

- Lobby/reception area
- Break room
- Men's room (1)
- Women's room (1)
- Janitor's closet (1)
- Offices (10)
- Work cubes (10)
- Conference rooms (2)

Mechanical/Electrical

- Mechanical room (autoclave boiler, air compressor, and USP water system)
- Electrical room
- Outside of Roof
- Process chiller
- Production core air handling units & condensing units
- Existing rooftop heat pump units.





1 BUBBLE DIAGRAM
SCALE: 1/32" = 1'-0"

BLUE OCEAN PRELIMINARY SPACE PLAN			
PRODUCTION CORE		ADMINISTRATIVE	
BIOLOGIC SUITE (XCELLEREX)	1300 SQ. FT.	BREAK AREA	450 SQ. FT.
OBSERVATION HALLWAYS	800 SQ. FT.	LOBBY / RECEPTION	250 SQ. FT.
WASH / GMP MATERIAL CONTROL ROOM	350 SQ. FT.	MENS ROOMS (1 @ 250 SQ. FT. EACH)	250 SQ. FT.
NANO-MEDICINE SUITE	1300 SQ. FT.	WOMENS ROOMS (1 @ 250 SQ. FT. EACH)	250 SQ. FT.
PRODUCTION SUPPORT		OFFICES (10 MODULAR INCLUDING HALLWAYS)	1400 SQ. FT.
MATERIALS STAGING	2300 SQ. FT.	CONFERENCE ROOMS (2 MODULAR @ 350 SQ. FT. EACH)	700 SQ. FT.
SAMPLING AREA BIOLOGICAL AND OTC	350 SQ. FT.	WORK CUBES	1500 SQ. FT.
QC LAB WITH BOTTLED GASES AREA - ENVIRONMENTAL	900 SQ. FT.	MECHANICAL / ELECTRICAL	
SHIPPING AND RECEIVING	1200 SQ. FT.	MECH ROOM (GMP AUTOCLAVE BOILER, AIR COMPRESSOR & USP WATER SYSTEM)	500 SQ. FT.
NON-GMP AUTOCLAVE	150 SQ. FT.	TOTAL SQ. FT.	20,150 SQ. FT.
FLEX SPACE	2500 SQ. FT.	FUTURE EXPANSION	6300 SQ. FT.
COLD ROOM (IF NEEDED)	150 SQ. FT.		
PROCESS DEVELOPMENT LABS (2 @ 1200 SQ. FT. EACH)	2400 SQ. FT.		
ANALYTICAL LAB (1 @ 1100 SQ. FT.)	900 SQ. FT.		
SERVER ROOM	250 SQ. FT.		

OUTSIDE ON ROOF: PROCESS CHILLER AND AIR HANDLING UNITS

CONCEPT w/ FLEX SPACE BUILT IN AND OPTION TO EXPAND TO BAY 5 APPROXIMATELY 24,827 SQ.FT.



2 SITE MAP
NOT TO SCALE



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WELLSPRING-
THE PEORIA COMMERCIAL
BIOMANUFACTURING
ACCELERATOR OPERATED
BY BLUE OCEAN
BIOMANUFACTURING INC.

D	3-19-13	REVISION	FP
C	3-13-13	PRELIM. LAYOUT	FP
B	3-11-13	PRELIM. LAYOUT	FP
A	3-7-13	PRELIM. LAYOUT	FP

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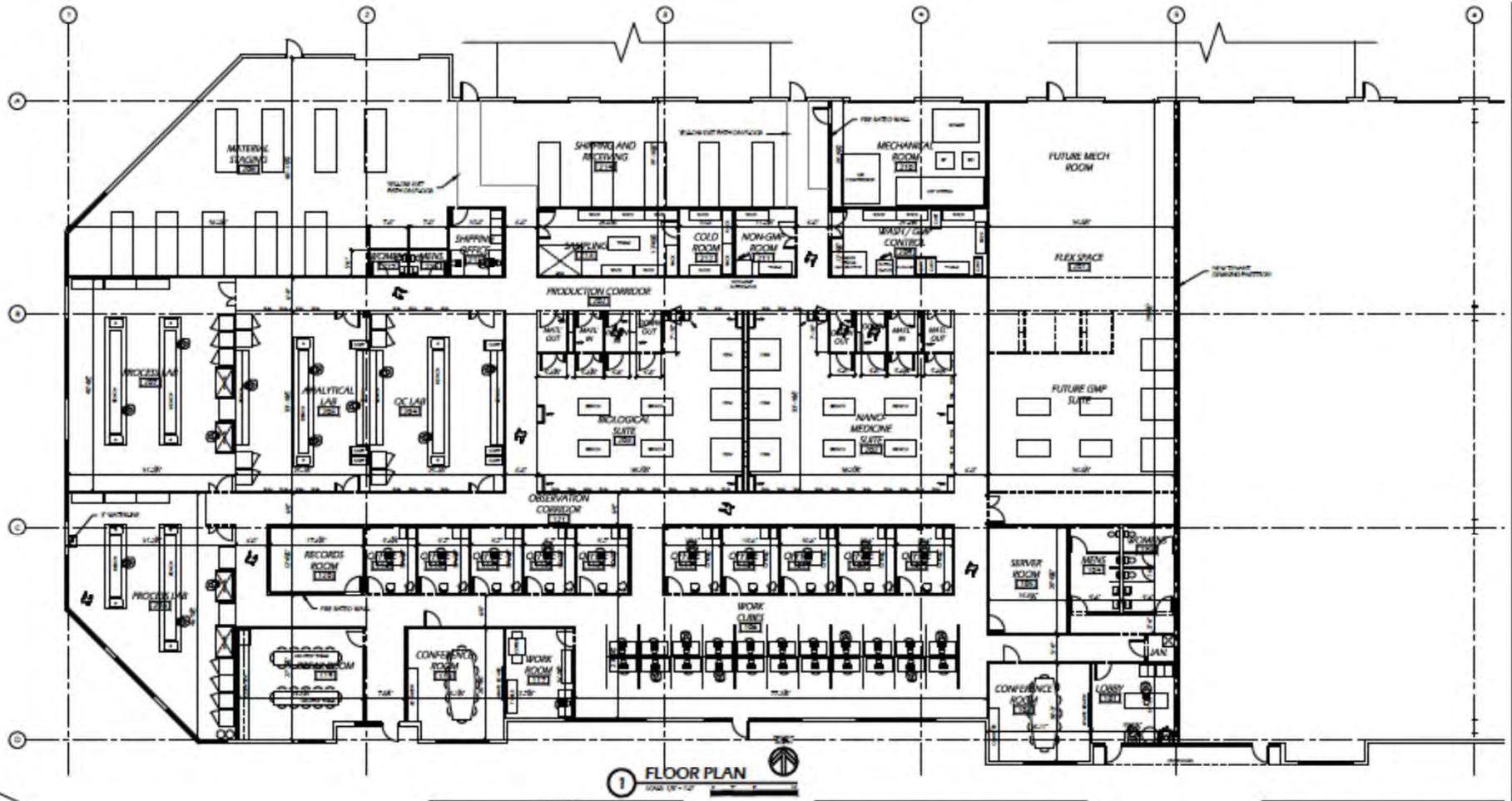
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BUBBLE DIAGRAM
OPTION 2

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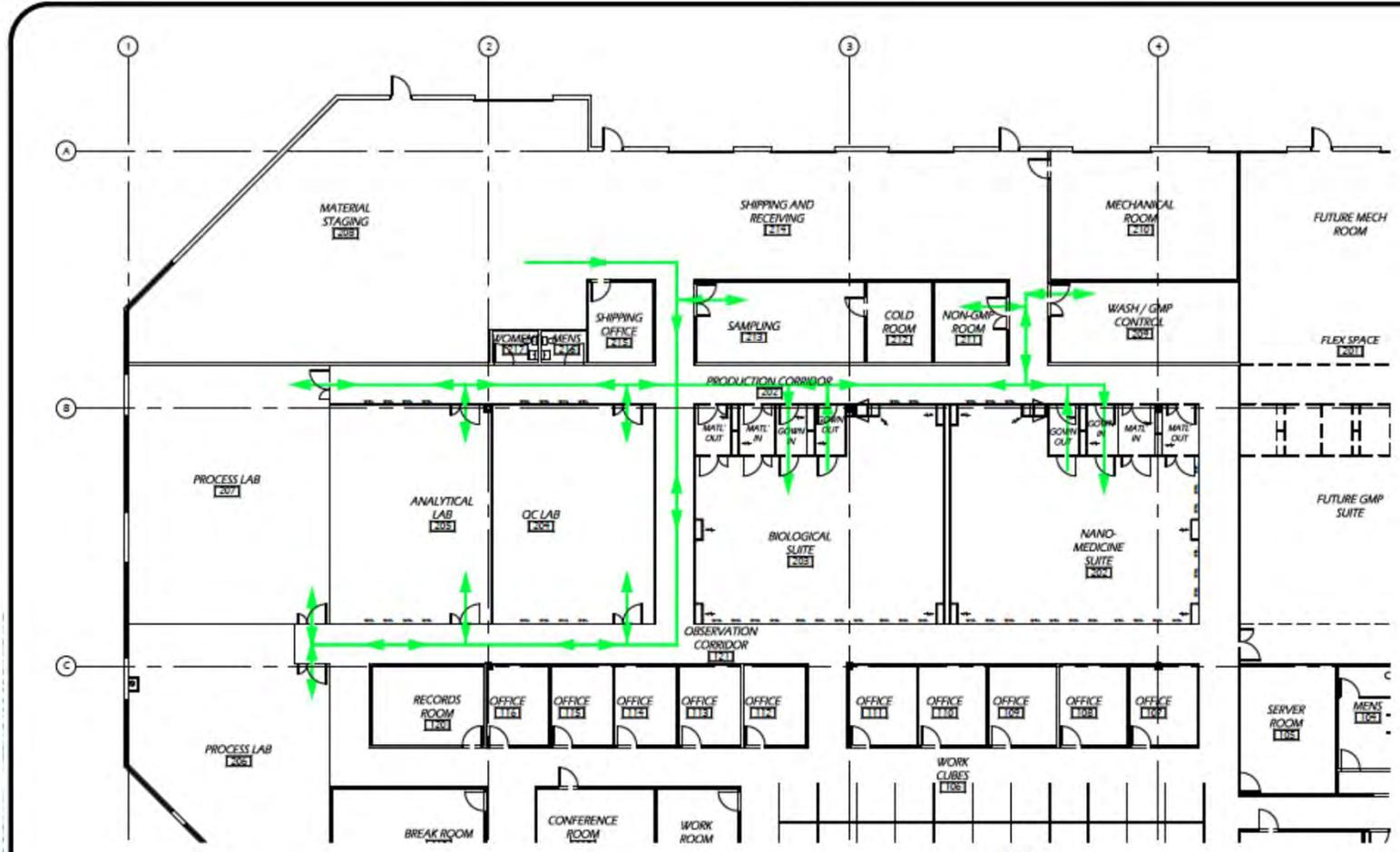
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PERSONNEL FLOW PLAN

SHEET NO:
SK-1



1 PERSONNEL FLOW PLAN
SCALE: 1/16" = 1'-0"
PROJECT NORTH





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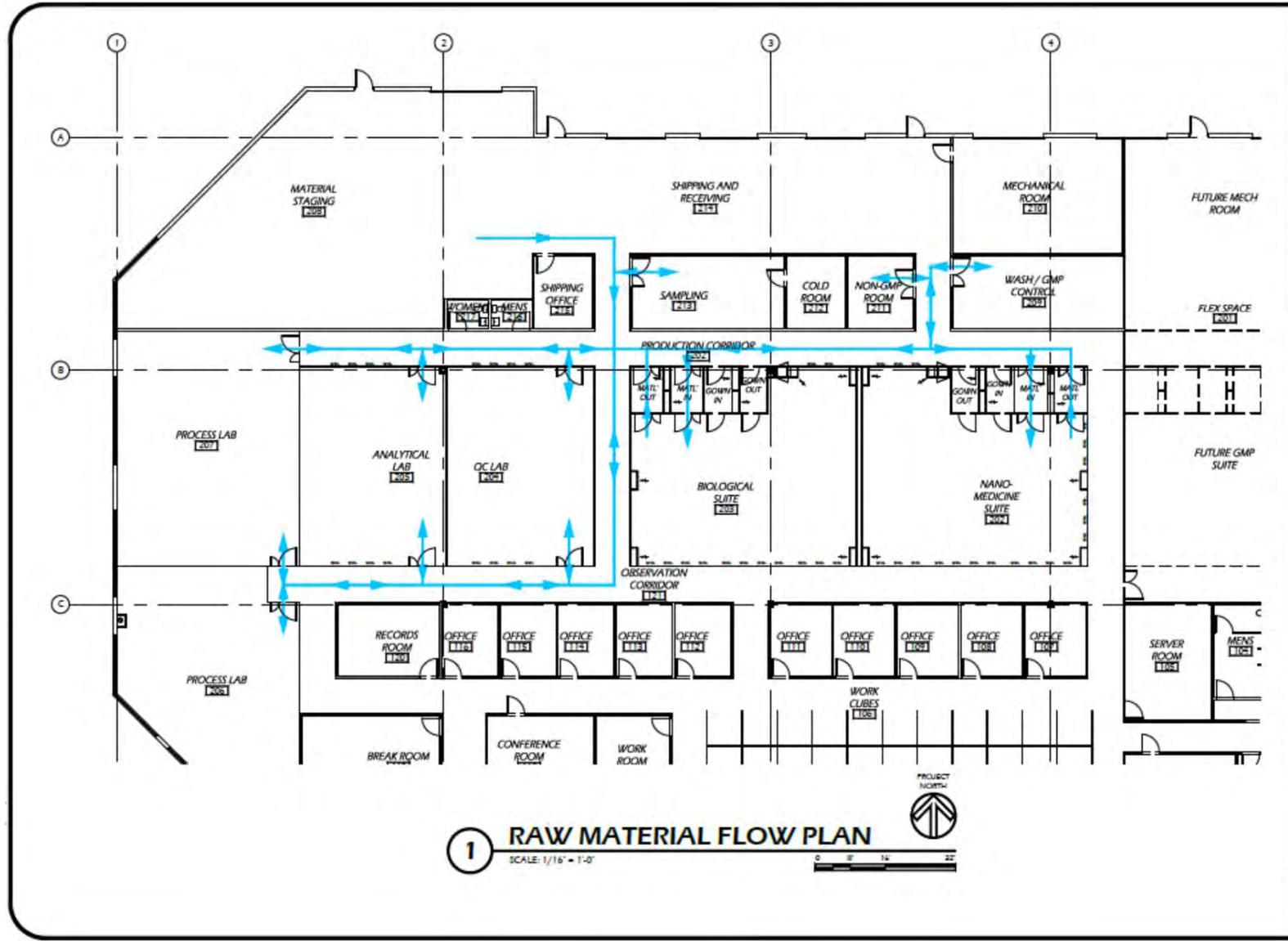
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SHEET TITLE:

RAW MATERIAL
FLOW PLAN

SHEET NO:

SK-2



1 RAW MATERIAL FLOW PLAN
SCALE: 1/16" = 1'-0"
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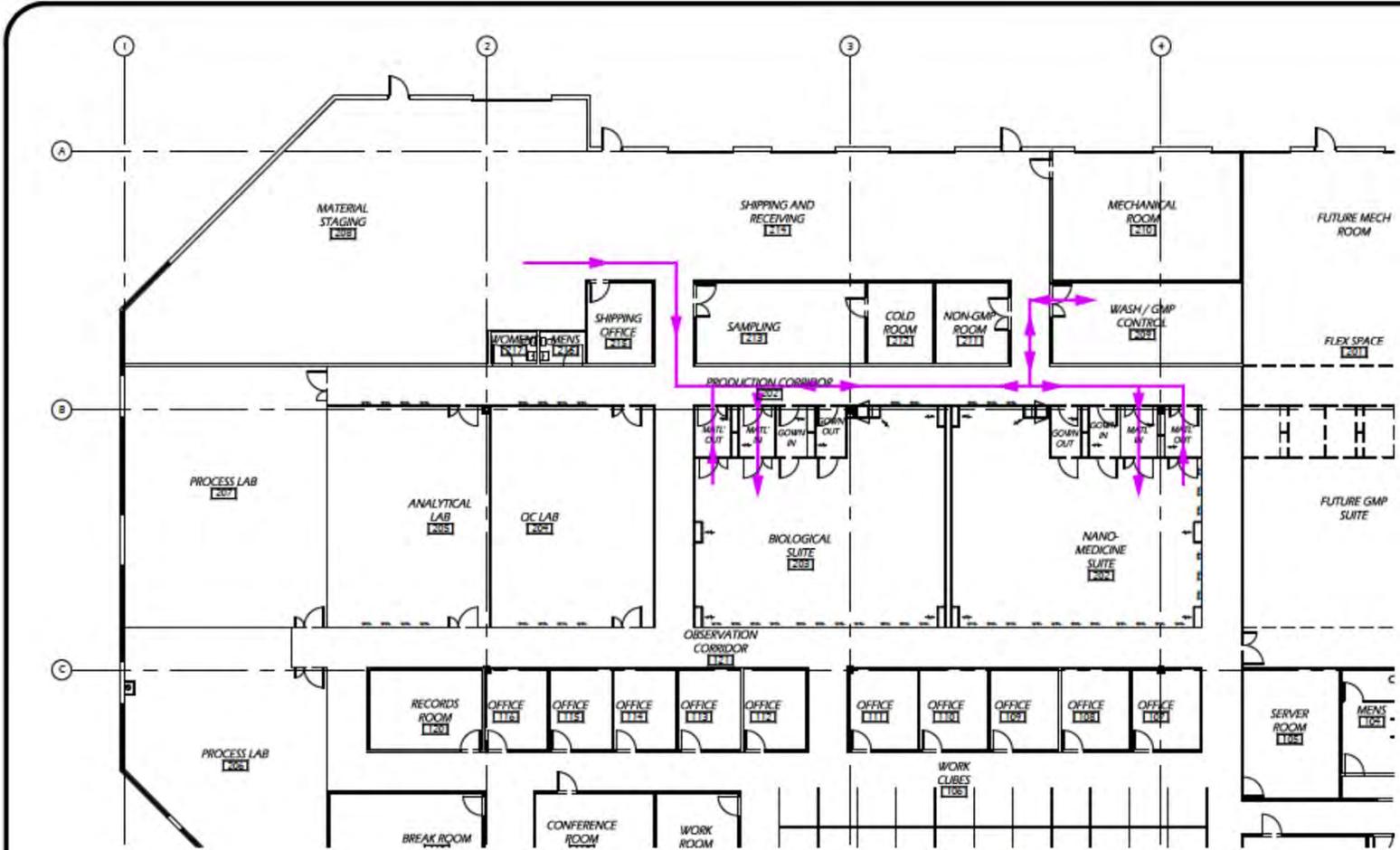
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COMPONENTS
FLOW PLAN

SHEET NO:

SK-3



1 COMPONENTS FLOW PLAN
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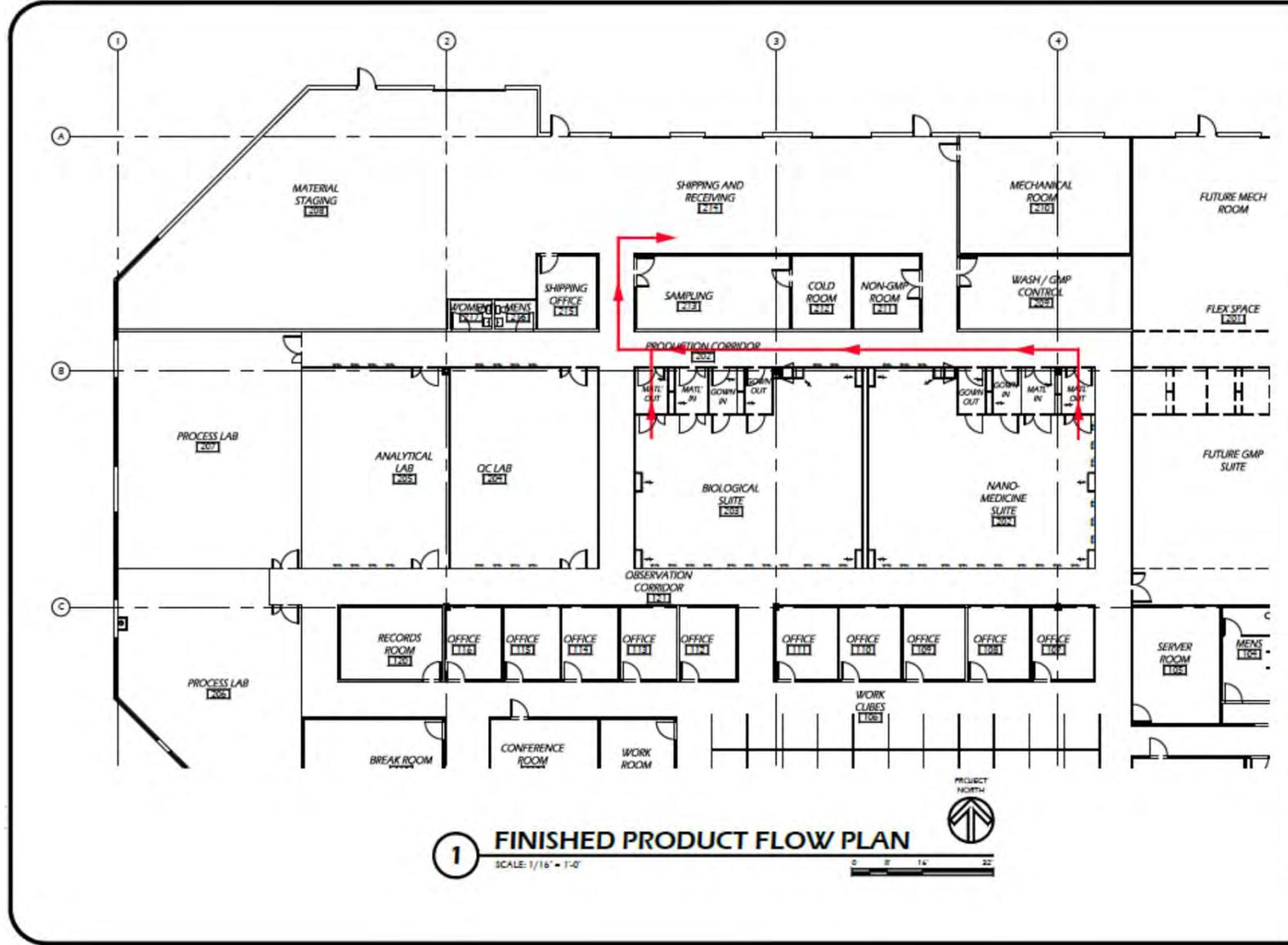
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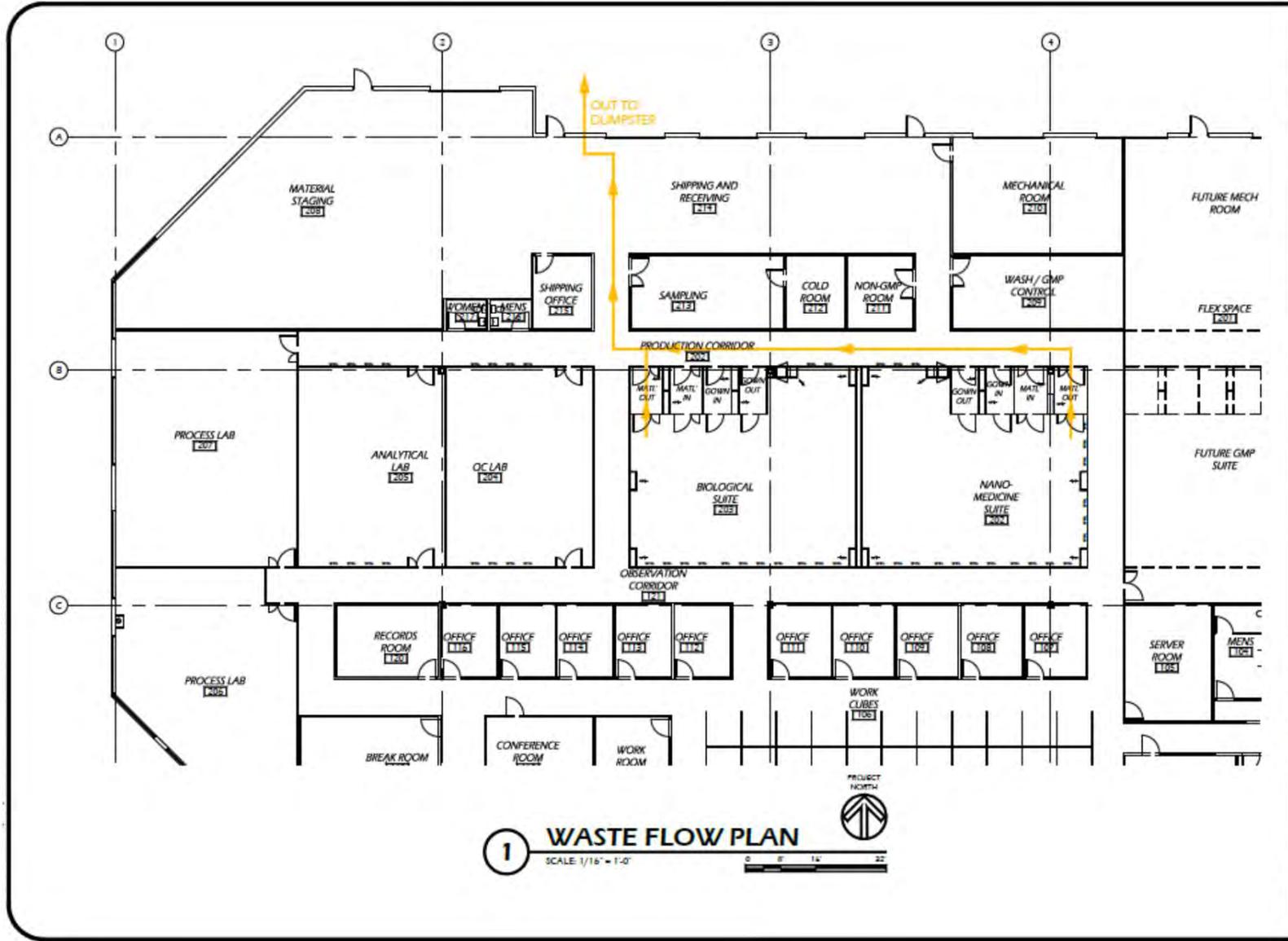
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FINISHED PRODUCT
FLOW PLAN

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1 FINISHED PRODUCT FLOW PLAN
SCALE: 1/16" = 1'-0"
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WASTE FLOW PLAN

SHEET NO:
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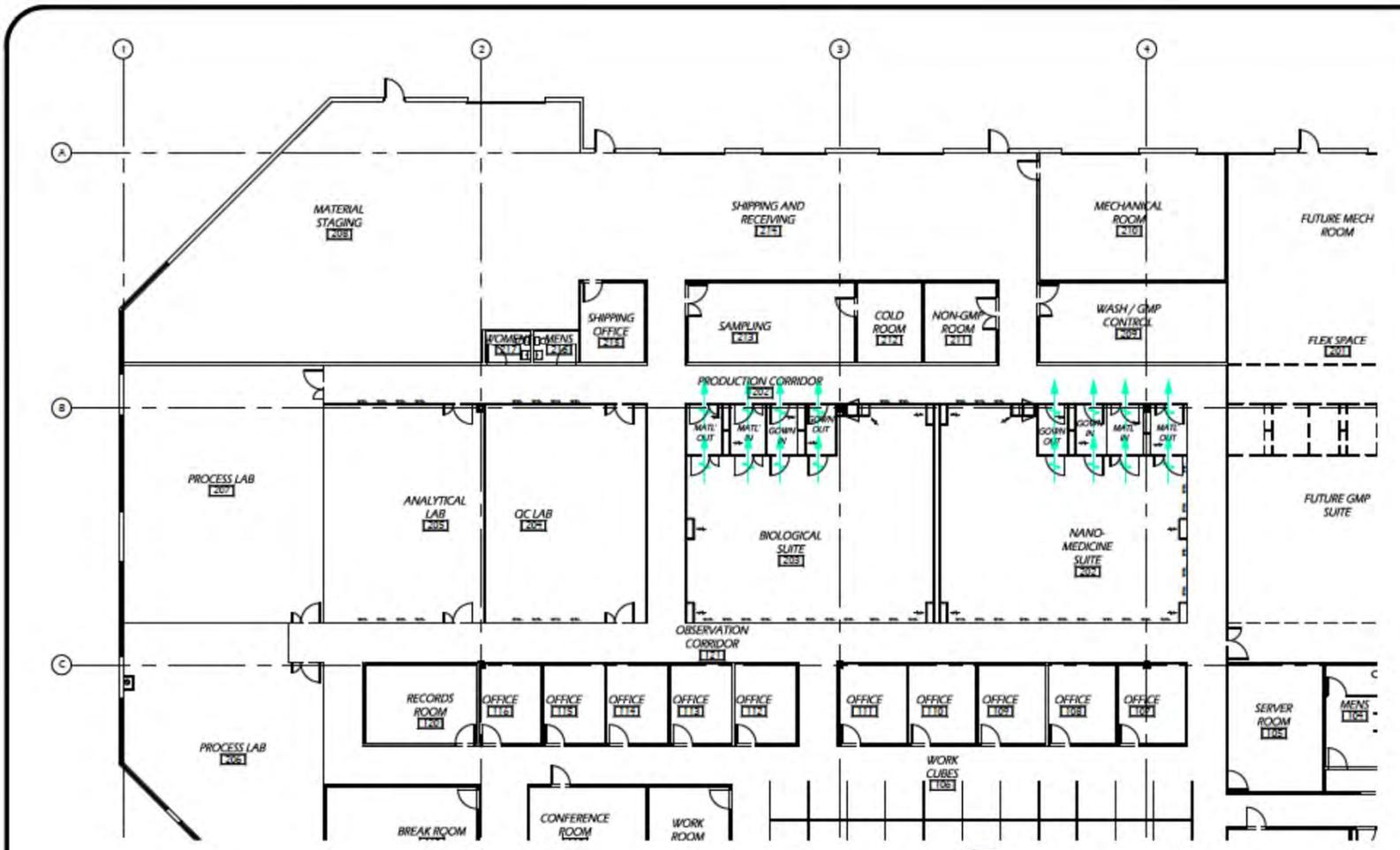
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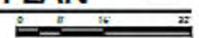
AIR
PRESSURIZATION
PLAN

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SK-6



1 AIR PRESSURIZATION PLAN
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D-41





1

CLEANROOM CLASSIFICATION PLAN

SCALE: 1/16" = 1'-0"



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PLAN

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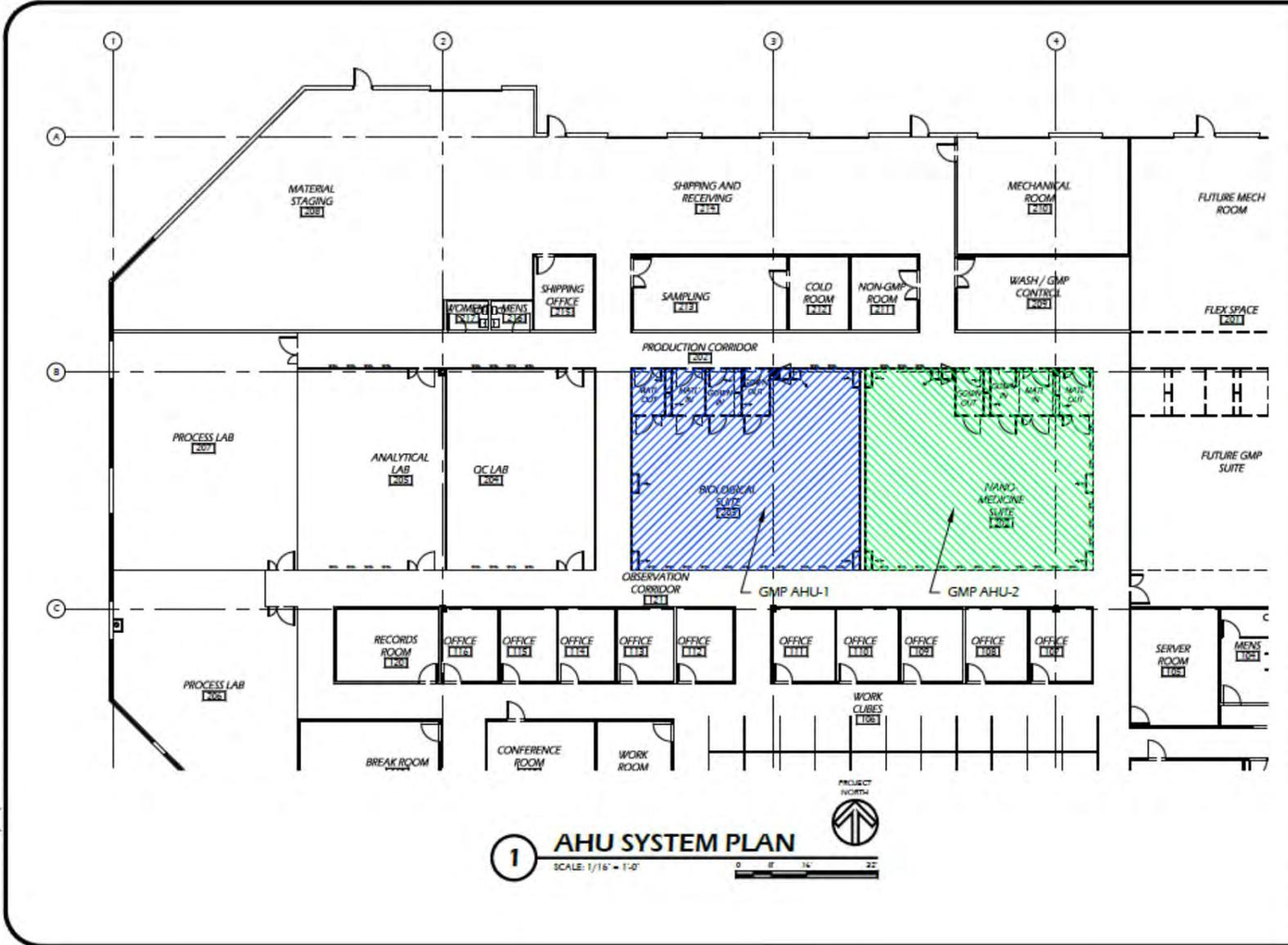
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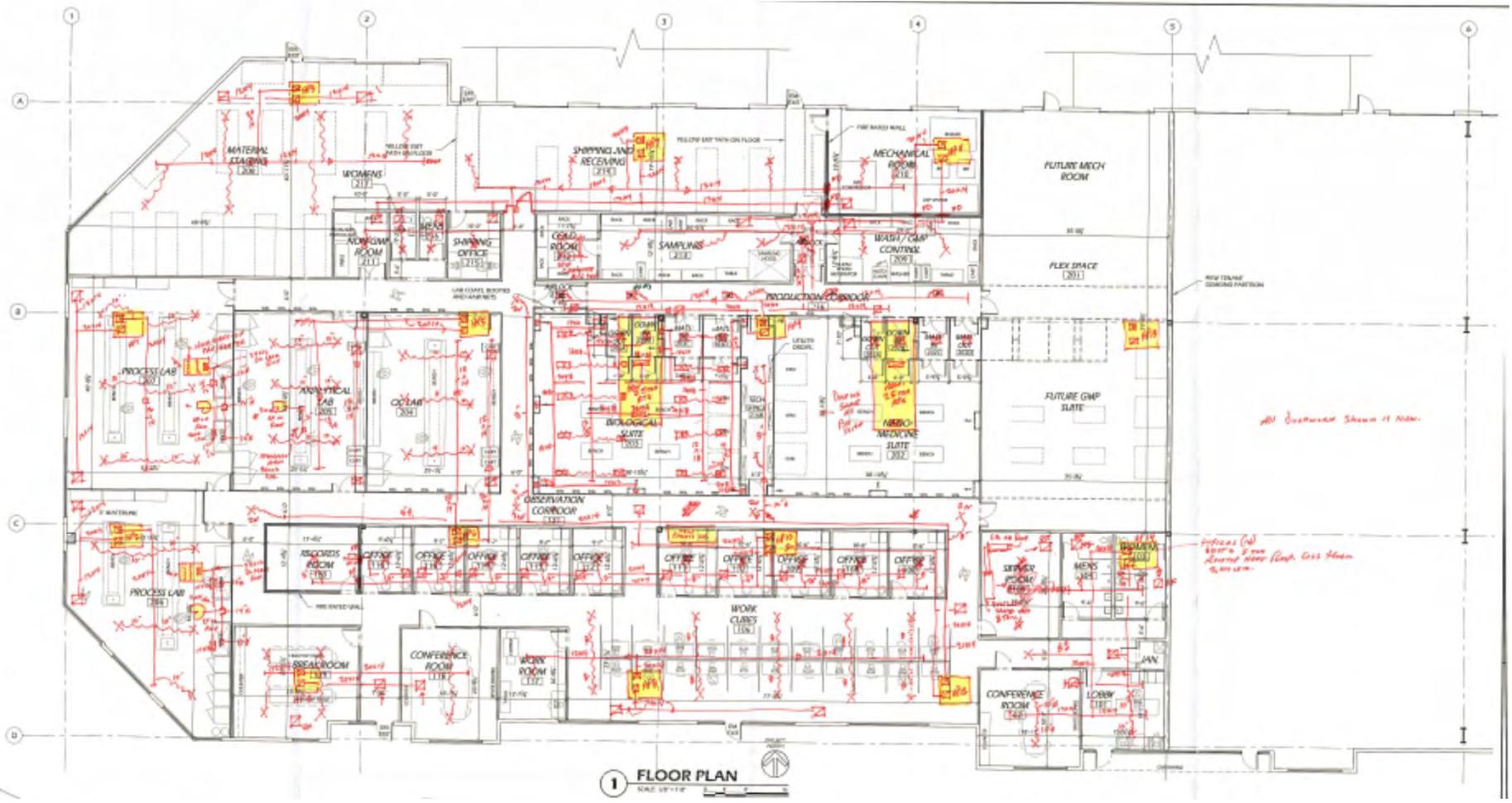
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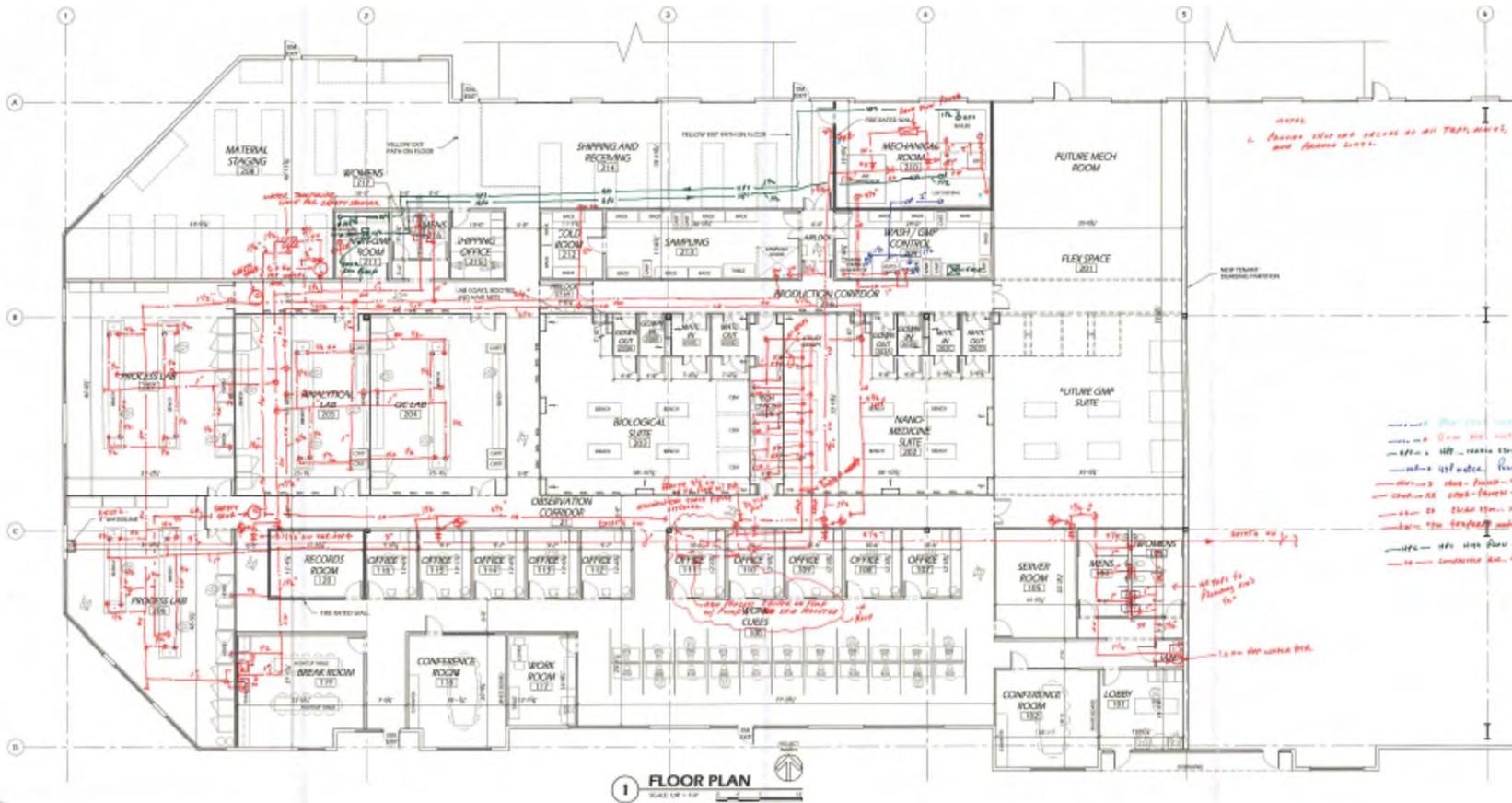
SK-8





HVAC Plan





Plumbing: Distribution

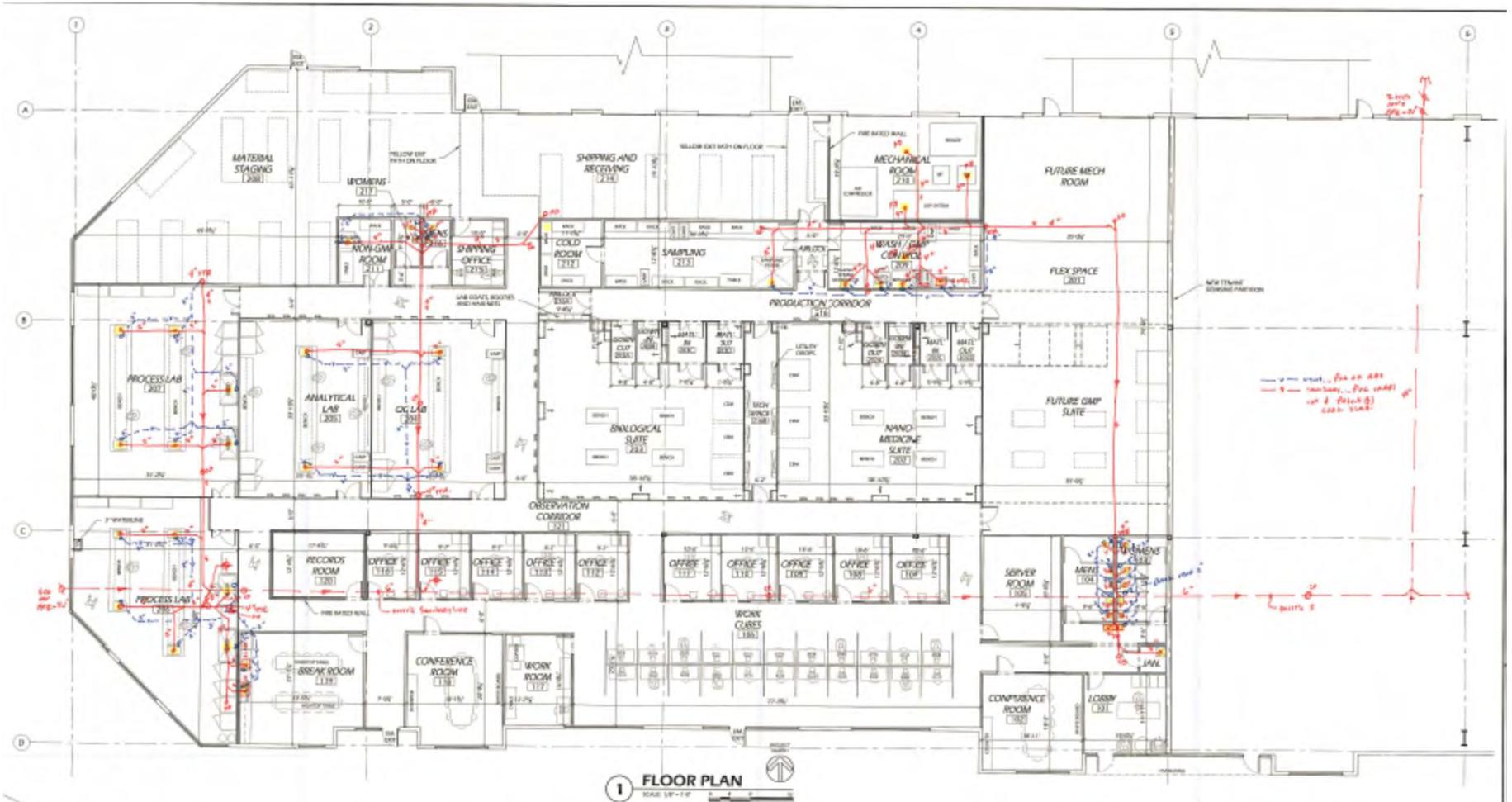
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Spartanburg SC 29303-9026
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Fax: 270.255.8811
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Plumbing: Waste Management



Electrical Load

POWER

Description	Voltage	Quantity	Load Each	EM	KW
Server Room Cooling (ductless)	208	1	4 KW	Yes	4
Server Room Equipment	120	4 racks	6	Yes	24
Computers	120	45	250		11.2
Receptacles	120	120	0.18		21.6
Copier	120	1			1.2
Air Compressor	480	1	20 HP		22
Dryer	480	1			3
Boiler	120	1			1.2
Boiler Feed Unit	460	1	3 HP		3.3
USP Water System	460	1	10 HP		11
Clean Steam Generator	460	1	100 Amp		80
GMP Autoclave	120	1			1.2
Washer	460	1	5 Amp		4.16
Non-GMP Autoclave	120	1			1
Cold Room	460	1		Yes	14
Sampling Hood	460	1	5 HP		6
CEM (Xcellerex)	460	6	15		90
Office RTUs (5 Tons each)	460	13	9		117
Biological Suite RTU	460	1	25 Ton		40
ReHeat	460	1	60 KW		60
Nano-Medicine RTU	460	1	25 Ton		40
ReHeat	460	1	60 KW		60
Production Corridor RTU (5 Ton)	460	1	5 Ton		8
UPS	TBD	Yes		Yes	-
Generator	TBD	Yes			-
Phone System (Vocalocity System)	120			Yes	1.2
Exhaust Fans	460	3	3 HP		15
Control System	120	1			1
Security System	120	1		Yes	1
Refrigerator (Break Area)	120	1			1.2
Dishwasher	208	1			4
Boiler Water Treatment	120				1
Lab Refrigerators	208	8	1.2	Yes	9.6
Lab Freezers	208	8	2	Yes	16
Bathroom Exhaust Fans	10	4	0.5		2
Server Room A/C	460	1	3 Ton	Yes	9
Fermentor 1500 Litre	460	2	*10 Amp		16
Centrifuge	460	2	*10 Amp		16
Chromatography Skid	460	2	*10 Amp		16
MF/UF Skid	460	2	*10 Amp		16
SIP Skid	460	2	*10 Amp		16
Pumps	460	2	*3 HP		8
Process Chiller	460	1	10 Ton		16
Water Heater - Front Baths	120	1	5 KW		5
Water Heater - Labs	120	1	5 KW		5
Process Lab Hood Make-up Unit Fan/Heater	460	2	3HP Fan/25 KW		60

* Allowance

LIGHTING (All lighting 277V)

Description	Voltage	Quantity	Total KW
Office & Labs	277	520	65
Cleanrooms	277	Incl. Above)	
Mechanical Area	277	Incl. Above)	
Warehouse	277	Incl. Above)	
Emergency Battery	277	Incl. Above)	
Exit Lights	277	Incl. Above)	

Use 75 KW Total Lighting Load

934 KW @ .8 PF = 1167.5 KVA = 1401 Amps

Use 1600 Ampere Service at 480/277 Volt, 3 Phase, 4 Wire

For 120/208 V Load = 91 KW @ .8 PF = 113 KVA

Use 112.5 KVA Transformer (480 - 120/208V, 3 Phase, 4 Wire)

Biomanufacturing Market Analysis

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Market Analysis Overview

- Peoria's close proximity to biomedical clusters in San Diego and Phoenix make it a geographically desirable location to open a biomanufacturing facility. San Diego is a five hour drive away, and as the regional market analysis indicates, is home to a large pool of potential clients. While in Phoenix, there are a number of well known institutional relationships that can strengthen and support the proposed biomanufacturing infrastructure including:
 - Translational Genomics Research Institute (TGen)
 - TGen Drug Development (TD2)
 - Mayo Clinic
 - Children's Hospital of Phoenix (CHOPS)
 - Clinical Treatment Centers of America
 - University of Texas MD Anderson Cancer Center
- These Phoenix based institutions are well known to the Peoria community so were not highlighted in the analysis. Instead, the commercial potential of the national unique biologic market and the San Diego biocluster were illustrated because of its large pool of innovative, emerging drug development companies and robust venture capital community.



Market Analysis Overview

Two analyses were performed to articulate two sources of market demand.

- ÕUniqueö Biologics assessment details the need for early stage Õuniqueö Biologics drug manufacturing.
- Regional assessment of San Diego, the largest local biotech supercluster.



“Unique” Biologics Assessment

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Unique+Biologics Market Overview

- This market analysis provides an overview of the current market conditions for the development and production of one off or "unique" biologic vaccines and biotherapeutics.
- Programs starting in discovery through Phase I clinical trials were analyzed and aligned to service providers targeting these same type of programs - the same market likely accessible to, and addressable by Blue Ocean in the Peoria Commercial Biomanufacturing Accelerator.
- Included is a summary list of de-identified contacts within target companies and key opinion leaders that Blue Ocean can consider as primary decision making customer targets.



Unique+Biologics Market Overview

- The landscape of unique biologics manufacturing has evolved quite significantly over the last decade with the introduction and wide-spread adoption of single-use manufacturing technologies. Newer facilities such as Paragon Bioservices virus production typically target small vaccine developers and support them with small-scale of virus and bacteria (about 40L - for microbial suites and 25L) production.
- These type of companies/facilities rely increasingly on single use technology for mammalian cell culture. For microbial production single-use technology is more typical to the seed train rather than the terminal vessel which is most often stainless-steel. Competition to Blue Ocean also includes full-service providers that can carry a customer from value-added development through clinical trials, into commercial production.
- An example of such a company is Lonza. Lonza's U.S. microbial facility in Hopkinton, Massachusetts with stainless fixed tank bioreactors to 2,800L (even larger capacity in Europe). Another is Fuji-Film Diosynth's with capacity in Research Triangle Park, NC and the UK with multiple fixed stainless-steel capacity in 1,000L and 2,000L configurations. Both Lonza and Fuji-Film typically target microbial recombinants but they can, for certain strains, manufacture bacterial vaccines. Lonza also has combination fixed and single-use facilities for cGMP virus production at its Texas facility up to 2,000L (mammalian cell culture based virus production).
- These and a multitude other facilities support over 500 assorted vaccines (BioPharm Insight Database) in the discovery phase identified since 2010, over 140 mostly unique vaccines in Phase I clinical trials (with advancement updates since 2010 - BioPharm Insight Database), and roughly 90 unique vaccines in Phase II clinical trials (also with updated advances since 2010 (BioPharm Insight Database).
- For clarity, these statistics also include the category of DNA vaccines which appear to represent about 10% of the programs in clinical development and in the discovery phase of development.



Unique+Biologics Market Overview

- Competition for outsourced microbial fermentation, both unique biologics and vaccine production, world-wide, from small-scale through commercial production exceeds 30 companies which could be considered a "going-concern", that is they appear active and operationally sound from a regulatory perspective (CMOLocator.com, 2nd Edition Advances in Large- Scale Biopharmaceutical Manufacturing and Scale-up and Production 2007, Pharmacompare.com) (see competition list in competition section).
- It is worth noting that facilities that focus on microbial fermentation, both E.coli, yeast, and other microbes, will often entertain both vaccine programs and recombinant protein production. The exceptions here reside with the types of pathogens employed. The more pernicious a bacteria is, for example anthrax or certain sporulating microbes, the more specialized the facility will become and the less likely it will be used for or have the capability of producing recombinant proteins for therapeutic use.
- For mammalian cell culture it is rare to see both virus production and recombinant protein production in the same facility. Even with single-use technology employed the perception of risk is often too great to have both type of manufacturing occur in the same facility and will be an instant red flag to auditors (both from the company/consultancy and regulatory authorities).
- Therefore it is important for a new facility, such as Blue Ocean to match the intended market (to serve) to the facility design. Even with separated suites, process flows, air handling, single-use - customers are reluctant to entertain projects for mammalian cell culture generating recombinant proteins when there is also virus production in the same facility. Further, the scientific expertise required for virus production versus recombinant protein production may be different, in particular in the downstream aspect of the operation.



Unique+Biologics Market Overview

- Expression technologies implemented in mammalian cell culture facilities and microbial facilities also differ, but for development of processes and scale-up through Phase I they are often reasonably consistent across the board, that is optimized around a few key cell types. Mammalian cell culture facilities producing virus, or virus like particles use a wide range of host cells, from BHK, to HEK, to Veros, VLPs in insect systems, and CHO cells.
- Newer cell lines for virus production including Per.C6 and CEVECs CAP cells are also gaining favor (NOTE:, Cuurrently, new Per.C6 licenses are rare as a result of the JnJ acquisition).
- Influenza flu vaccine, for example, has been cultivated in diploid cell lines such as MRC-5, WI-38, and FRhl-2 and cell lines like PER.C6, NIH-3T3, BHK, CHO, Vero and MDCK. According to WHO (in an Initiative for Vaccine Research World Health Organization Report) the only cells that generate commercially sound titers have been Vero, PER.C6 and MDCK.
- The technologies used for virus production still includes roller bottles or T-Flasks but more production is being adapted to Wave bioreactors up to 100L scale, single use bioreactors (Xcellerex, Thermo Fisher Hyclone, ATMI, Millipore, Sartorius), small scale glass and stainless-steel bioreactors.



Unique+Biologics Market Overview

- Companies offering microbial fermentation continue to employ glass (at development scale) and stainless-steel at a much higher percentage as the adoption single use technology for microbial production is lagging mammalian cell culture.
- The economics of operational change over suggest that adoption of single use disposable systems will be slower than mammalian cell culture although products such as the CellTainer® appear to be gaining a foothold beyond the seed train for microbial fermentation at scales up to 25L and beyond 25L single-use bioreactors such as the BIOSTAT® CultiBag RM system (from Sartorius Vaccine and Fermentation Market Analysis Stedim) or the GE Healthcare Wave Systems appear to also be gaining in interest and use for development through clinical production.
- All platforms would be readily adaptable to the Blue Ocean Business.



Unique+Biologics

Vaccines and Microbial Recombinant Proteins in Development

- Vaccine research and development for infectious diseases encompasses a vast range of sponsors, from Universities and Institutions to the World Health Organization (as a facilitator) to large pharmaceutical companies to small biotechnology innovators to funding organizations such as the Bill and Melinda Gates Foundation.
- Vaccines are also in development for respiratory diseases, cancer, and hematological disorders.
- Reviewing data available from BioPharm Insight database tracking changes to active programs since 2010 there are more than 700 projects from discovery through Phase II human clinical trials.



Unique+Biologics

Cancer Vaccines

- The general category of Cancer Vaccines includes over 30 programs each in discovery and Phase I clinical trials. The types of molecules in development for cancer include therapeutic peptides such as Targovax® TG01 therapeutic peptide or Scancell® SCIB1 DNA vaccine for melanoma. Of interest to Blue Ocean, aside from recombinant proteins, may be DNA vaccines to the extent that plasmid DNA can be produced in fermentation systems and purified into bulk drug substance.
- There are also cell based cancer vaccines which often require the expansion of patient cells. These type of programs blur the line between therapeutics and cell therapy but in certain situations may also be interesting to Blue Ocean.
- There are also viral based cancer vaccines which are a technology fit for Blue Ocean. An example is Psioxus Therapeutics Ltd. ColoAd1 chimeric oncolytic virus used to treat metastatic cancer.
- When considering the broad range of cancer vaccines employing a number of technology approaches Blue Ocean must consider that only a fraction of programs may be a technology match with the contemplated facilities.



Unique+Biologics

HIV Vaccines

- Development of vaccines to human Immunodeficiency Virus continue to represent a wide range of opportunities. The treatments come from both large pharma companies such as Glaxo Smith Kline but also from a large array of small biotech companies such as Geovax.
- The technology fit aligns with Blue Ocean as long as BSL-2 can be implemented.
- The vaccines themselves are generally modified viruses such as VSV containing HIV domains or machine synthesized peptides or HIV recombinant subunits.
- Few actually require the scale-up of HIV itself which is produced for research purposes by a few number of providers.



Unique+Biologics

Other Infectious Disease Vaccines

- This category is of course the largest in the vaccine space and includes both vaccines for viruses and microbes. The range of vaccines in development include both third-world and developed world diseases such as Dengue, Influenza, Japanese encephalitis, Malaria, Meningitis, Tuberculosis, Typhoid among others.
- In addition, many companies and governments are of course interested in further development of vaccines in the biodefense sector. Smallpox, anthrax, and pestis vaccines, for example, are in development by a number of companies.
- Although unsuccessful in several previous clinical several attempts at a vaccine is Staph A and MRSA (3-Ag Staph by Pfizer and Pentastaph from GSK) are in development along with multiple treatments post infection. Although anecdotal, the large companies have often sought to outsource development and early clinical batches of Staph (microbial) and flu (mammalian) to small CMOs with rapid development capabilities and available capacity.
- This phenomenon may have existed while Novartis and Merck were engineering and building facilities in North Carolina so it is unclear if this need will continue or be abated once their in house capacity comes online. Screening the technologies deployed for infectious disease vaccine, flu seems to be consistent in attenuated/inactivated/recombinant versions of the virus. Some programs focus on recombinant versions of the HA antigen or engineering other virus types to carry the antigen - generally a fit for Blue Ocean capabilities.
- The fit of other disease types typically seek to reduce production risk via recombinant vaccines rather than live virus so Blue Ocean should find few programs outside the scope of capability (assuming that biosafety stops at BSL2).



Unique+Biologics

Recombinant Protein Therapeutics

- Microbial systems, typically *e. coli*, *Pichia Pastoris*, *Saccharmyces cerevisiae*, have been employed to manufacture both simple proteins that require no glycosylation (for example human growth hormone or Somavert) or abbreviated glycosylation (yeast systems). These systems have been used to make tradition non-glycosylated proteins and enzymes but as advances in antibody engineering occur, highly engineered antibody derivatives such as Covagen[®] FynomAbs, FAbs, dAbs (Domantis antibody derivatives - Domantis acquired by GSK in 2006). In general microbial (*e. coli* and yeast) represent about one-third of the biologics in development.
- Currently there are over 1,000 recombinant proteins in development, and another 300 in Phase I or Phase II clinical trials (the analysis removed other large molecules such as machine synthesized peptide, RNAi molecules, whole-cell therapies, blood derived products).
- A new system worth noting is the Pfenex Expression Technology platform using *Pseudomonas fluorescens*. This system is being more widely adopted for both biosimilar proteins and biodefense molecules. **Pfenex and Blue Ocean are already working together.**



Unique+Biologic Company Summary Contacts

On the following pages is a list of executives for both small and large companies that are:

- Likely to outsource development and manufacturing.
- Be a decision maker in the outsourcing program.
- All of whom Blue Ocean can contact to create demand.



Unique+Biologics: Contacts

Company	Title	Location	Notes
Aduro Biotech	Director	Berkley, CA	Infectious diseases
Aduro Biotech	Executive	Berkley, CA	Infectious diseases
Advaxis, Inc.	Executive	Princeton, NJ	Cancer immunotherapies using listeria
Advaxis, Inc.	Executive Director	Princeton, NJ	Cancer immunotherapies using listeria
Aeras	Vice President	Rockville, MD	Infectious disease and tuberculosis
AgilVax	Executive	Albuquerque, NM	HPV, RSV
AlphaVax	Excutive Vice President	RTP, NC	Immunotherapy, Infectious diseases, Biodefense
ApoVax	Vice President	Louisville, KY	HPV treatment
Arbovax	CEO	Raleigh, NC	Dengue
Argos Therapeutics	CEO	Durham, NC	Cancer Immunotherapy/cell therapy - may not be an ideal fit
Bill and Melinda Gates Foundation	Deputy Director	Seattle, WA	Infectious diseases
Binor Pharma	Executive Vice President	Oslo, Norway	HIV
BiondVax	CEO	Israel	Flu



Unique+Biologics: Contacts Continued

Company	Title	Location	Notes
Dendreon	Executive Vice President	Seattle, WA	Cancer immunotherapies
Dynavax	Vice President	Berkley, CA	Hepatitis
Emergent Biosolutions	Sr. Executive	Gaithersburg, MD	Biodefense
Galena Biopharma	Executive Vice President	Lake Oswego, OR	Cancer immunotherapies
Genocea Biosciences	Vice President Development	Cambridge, MA	Flu, HSV, pneumococcus
GenVec	Sr. Vice President	Rockville, MD	RSV, HSV
Geovax	Senior Executive	Atlanta, GA	HIV
Geovaxyn	Senior Executive	Switzerland	conjugate DNA vaccines
Glaxo	Sr. Manager	King of Prussia, PA	Vaccine development
Hapten Sciences	Senior Executive	Memphis, TN	Allergies
IAVI	Vice President	NY NY	HIV
immunovaccine	Senior Executive	Halifax Nova Scotia	Vaccine development technology
Inovio Phama	Sr. Director	Blue Bell, PA	DNA Vaccines



Unique+Biologics: Conclusions

- Standard configurations and capabilities for virus production using mammalian cell culture and vaccine and recombinant protein production employing microbial fermentation are abundant in the market. New entrants to the contract development and manufacturing space need to consider new technologies, flexibility of scale and ability to accommodate multiple expression systems and maintain containment and change over efficiency (by adopting as much single use technology as is practical) in order to compete effectively. It is clear that no one bio manufacturer can handle every type of program out there but with careful consideration a bio manufacturer can design facilities to meet the needs of more programs than they can actually execute.
- Most development needs reside within the small biotechs. Although big pharma does outsource manufacturing, those programs emerge infrequently, have exceptionally long sales cycles, and require multiple levels of selection oversight.
- Small biotech companies should be the primary customer target for rapid revenue generation...large pharma companies can serve as anchor programs with repeat projects should be sought to smooth revenue where possible but expect them to be closed once the biopharmaceutical has industry experience.



Regional Market Assessment

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Regional Market Analysis Overview

- For a biomanufacturing industry to be successfully created in Peoria, the close proximity to San Diego's biotechnology market sector could be used to form business relationships with biotech companies that require biomanufacturing strategy development and capabilities. The market analysis of the San Diego biotech industry segment illustrates not only a significant demand for biotechnology manufacturing, but highlights macro-economic drivers suggesting a willingness by corporate executives to explore associations outside of the San Diego cluster - in Peoria, Arizona.
- In a recent survey by the California Health Institute, a select group of California biotech CEO's were asked if they expected manufacturing activity to expand outside of California. Fifty-six percent of CEO's are anticipating this to be the case. A Major reason given was the increasingly more stringent California regulatory manufacturing atmosphere*,but surprisingly a lack of innovation and reduced R&D funding within the state of California were also noted.**

[*http://www.northbaybusinessjournal.com/18694/commentary-regulation-is-killing-california-manufacturing/](http://www.northbaybusinessjournal.com/18694/commentary-regulation-is-killing-california-manufacturing/)

[**http://www.chi.org/uploadedfiles/report2012/2012_CalBiomed_ChartPak_FINAL_powerpoint.pdf](http://www.chi.org/uploadedfiles/report2012/2012_CalBiomed_ChartPak_FINAL_powerpoint.pdf)



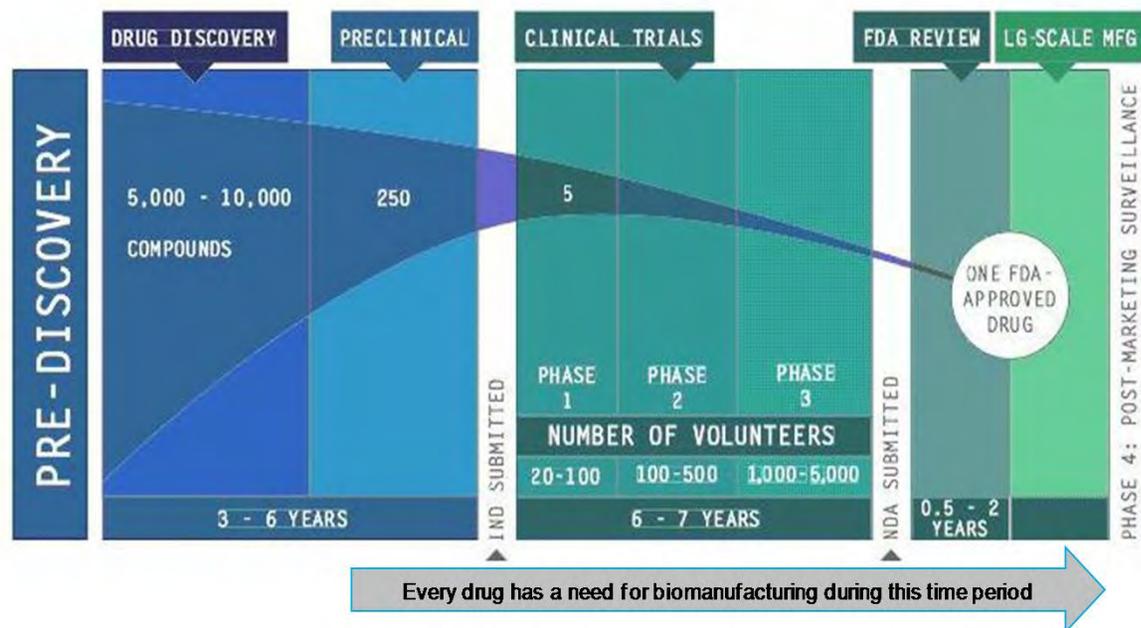
Regional Market Analysis Overview

- One of the primary sources of capital to translate medicines is venture capital investment in emerging companies.
- During the translation drug development process, novel medicines undergo a number of developmental steps to test for efficacy, safety and other product characteristics, which require cGMP manufactured amounts of drug material.
- Manufacturing small batch amount of high quality drug product is not a trivial undertaking, as the medicines and the companies developing them can fail if this part in the process is handled incorrectly.
- To produce at the required quantity of high quality material requires investment capital.



Regional Market Analysis

Translational focused organizations often do not have the physical infrastructure or the sophisticated engineering skills to make quantities of quality drug product. Therefore, they need to work with venture capitalists and biomanufacturing organizations to continue progress from bench to bedside.



Regional Market Analysis

- To better understand the potential clients located in San Diego, a financial strength analysis was performed. Because many of the companies are not public, efforts scrutinized publicly available sources to determine a relative financial strength based on a professional understanding of how the drug product investment cycle works. For public companies, financial statements were reviewed and integrated into our relative strength analysis.
- We analyzed 109 biotechnology companies in San Diego County, profiling and organizing them by financial strength and number/type of molecules or drugs in development. As Blue Ocean hopes to become the Strategic Manufacturing Partner for companies working primarily in Pre-clinical to Phase II arenas, the analysis specifically focused in privately held biotechnology companies (emerging private) as well because they reflect emerging companies operating who, for a variety of reasons, may have not been able to go public but have the financial resources for drug development and are buyers of cost effective, high quality biomanufacturing services. There is also potential to provide serves to public companies with market capitalizations values of <100 million (emerging public).
- Taken together, these organizations (privately held and emerging public) often have business characteristics that make them Gazelles. Gazelles are fast growing and investing in product development in the most cost efficient manner to build long-term shareholder value. They also are actively making decisions on how and where they will manufacture their products.
- The Potential Clients graph illustrates that 66% of the 109 companies analyzed based on financial strength are candidates for Blue Ocean's service offering. This number includes all privately held companies as well as public companies with market caps between \$1-100 million of the 109 companies analyzed. Roughly 34% of companies analyzed have market caps above \$100 million, indicating they are not as likely to come to Blue Ocean for biomanufacturing services due to previously established, capital-intensive channels of operations.



Regional Market Analysis: San Diego Bio Employment

- San Diego County currently employs 41,937 people in the biotechnology field. This number is expected to rise to over 44,000 throughout 2013. Jobs could total 50,000 over the next decade as job growth is projected to grow at 1,000 jobs/year*
- Roughly 90% of biotechnology companies in San Diego County employ less than 50 people. This is a promising statistic for Blue Ocean, as it aims to work with emerging clients who are earlier in their product development cycle and thus, can gain the most value from the Blue Ocean Strategic Manufacturing Partnering approach.
- San Diego has a concentration of life science employment that is 63% greater than the national average** creating opportunity for Blue Ocean to build a presence in Peoria that complements the market place.

[*http://www.utsandiego.com/photos/2012/apr/24/587761/](http://www.utsandiego.com/photos/2012/apr/24/587761/)

[**http://www.utsandiego.com/news/2012/apr/24/san-diego-biotech-industry-expects-add-jobs/](http://www.utsandiego.com/news/2012/apr/24/san-diego-biotech-industry-expects-add-jobs/)



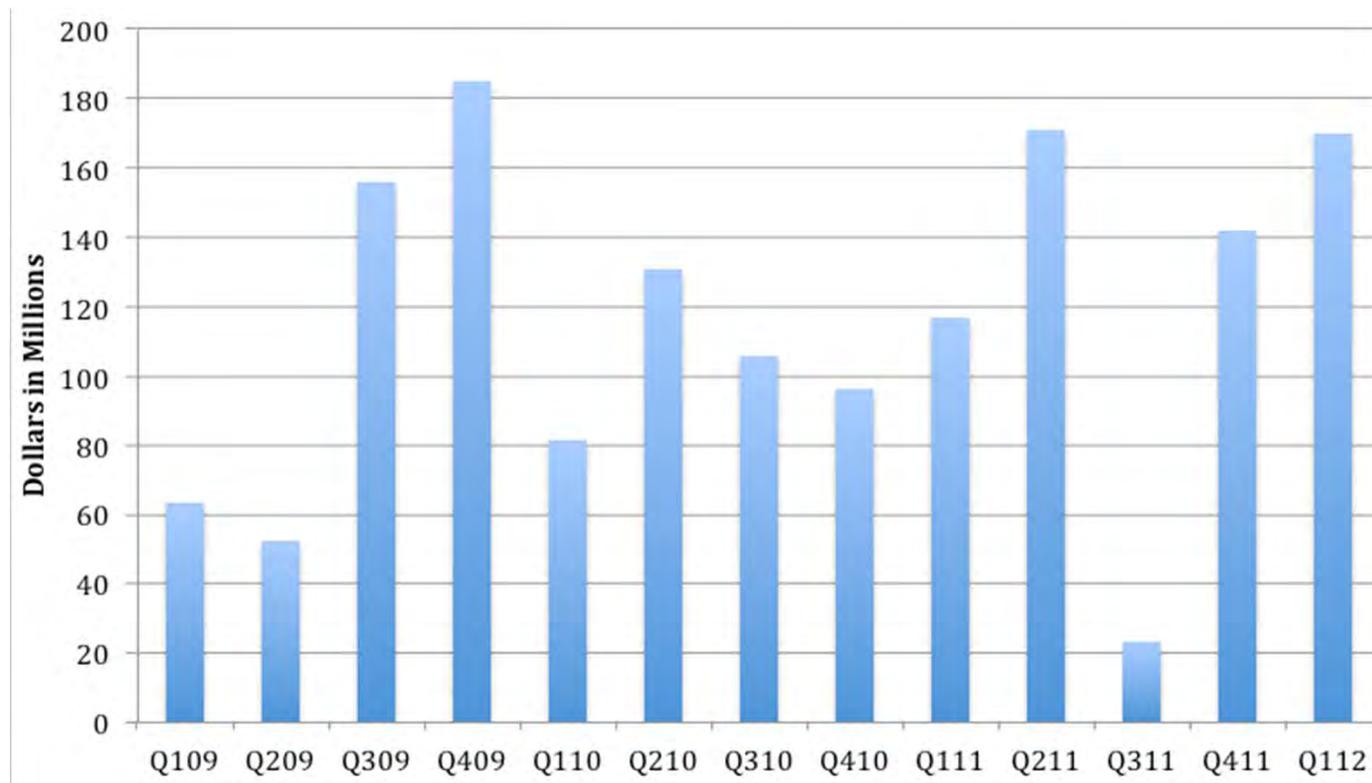
Regional Market Analysis: San Diego

- San Diego ~ 350 miles.
- For Peoria to have a successful launch into the biomanufacturing industry, it will be partly dependent upon the biomedical venture capital investment in the San Diego area, which supports the manufacturing of high quality drug products. This may change over time as the biomanufacturing industry matures in Arizona.



Regional Market Analysis: San Diego

- Venture Capital Investment
 - Despite downturns in venture capital spending on a national level, the San Diego venture capital biotech market continues to show strength moving into 2012.



Regional Market Analysis: San Diego Venture Capital

- San Diego attracts a significant portion of venture capital dollars. As a percent of the total awarded to the entire state of California, San Diego has consistently received 30% or more, with a trend showing steady increases over the last five years, reaching almost 40% of both seed and early stage funding. The number of deals also reflects similar percentages. These trends will benefit Blue Ocean Strategic Manufacturing Partner business model.

San Diego as % of California Venture Capital funding (% of total)				
	Seed \$ (%)	# Deals (%)	Early Stage \$ (%)	# Deals (%)
2008	30.33%	34.15%	31.00%	32.73%
2009	37.85%	42.86%	37.48%	32.76%
2010	39.37%	50.00%	34.13%	35.53%
2011	36.29%	46.88%	18.66%	28.17%
2012*	38.13%	40.00%	44.45%	35.19%

San Diego has clearly been getting the most early seed \$ as well as # of deals with regards to the biotechnology market in California

* Only first 2 quarters reported PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ Report



Regional Market Analysis

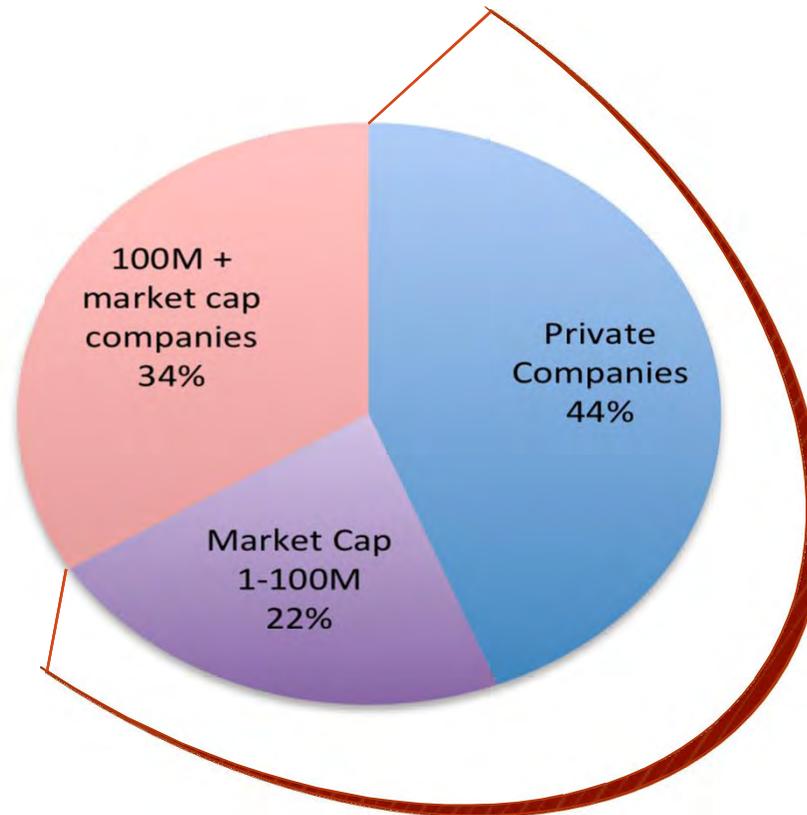
•Anatomy of Potential Clients

- The •Potential Clients• graph (following slide) illustrates that 66% of the 109 companies analyzed based on financial strength are candidates for Blue Ocean's service offering.
- This number includes all privately held companies as well as public companies with market caps between \$1-100 million of the 109 companies analyzed.
- Roughly 34% of companies analyzed have market caps above \$100 million, indicating they are not as likely to come to Blue Ocean for biomanufacturing services due to previously established, capital-intensive channels of operations.



Regional Market Analysis

- 66% of San Diego biotech companies are potential clients

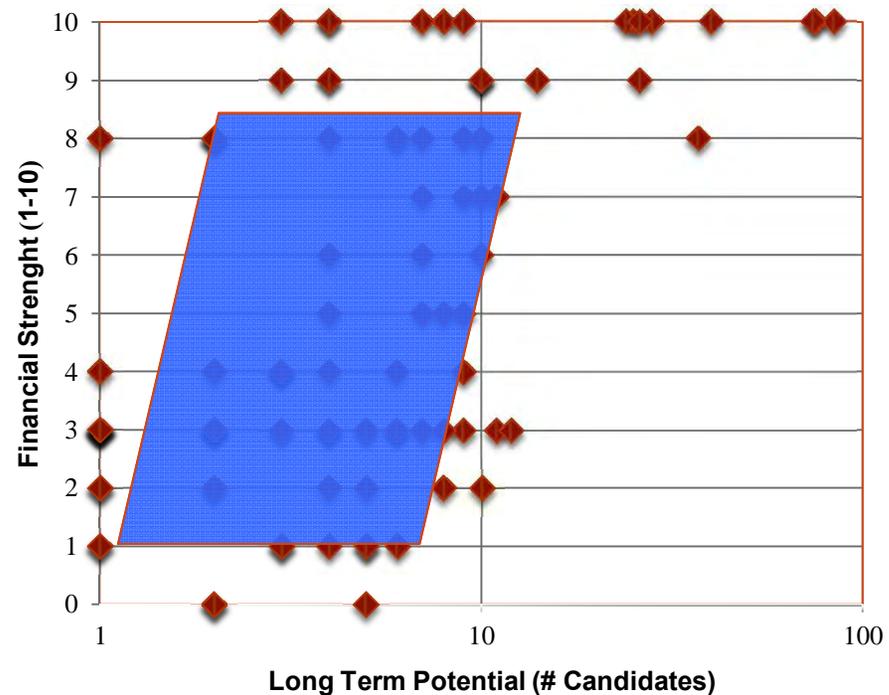


Regional Market Analysis

Optimal Target Market

- 109 biotechnology companies were analyzed using Financial Strength and Number of Drug Candidates.
- The blue triangle visually represents specific companies that fit into Blue Ocean's target client profile, all of whom have a market cap of under \$100 million with a molecule or drug development pipeline of 10 or under.

San Diego Market Analysis



Regional Market Analysis

Target Market Definition

- A larger company, with a market cap above \$32 billion and over 25 drugs in development, would fall in the upper right portion of the graph, while a smaller company like Harbor Biosciences with a market cap of just over \$4 million with 2 molecules in development, would be in the lower left part of the graph.

Financial Strength Key

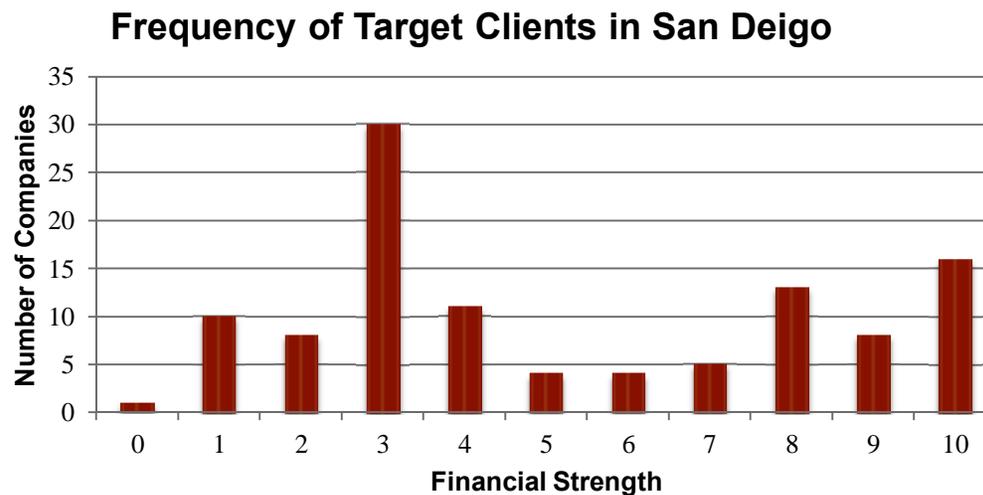
Financial Strength Key	Market Cap (public) Venture Capital/Grants (private)	
1	3M>	Private Companies
2	3-10M	
3	10M<	
4	<25M	Public Companies
5	25-50M	
6	50-75M	
7	75-100M	
8	100-500M	
9	500M-1B	
10	1B>	



Regional Market Analysis

Frequency of Potential Clients in San Diego

- Because many companies overlap under our pre-determined financial parameters, a frequency graph has also been provided to illustrate exactly how many companies fall under these specific financial metrics.
- Target companies have a financial strength between 1 and 7 and add up to 73 companies out of the 109 identified.



Regional Market Analysis Conclusions

- This analysis was undertaken to understand the economic factors which could lead to the establishment of a biomanufacturing industry in Peoria. Being geographically well positioned between the biomedical clusters of Phoenix and San Diego with a reasonable cost structure creates an opportunity for biomanufacturing industry.
- Analysis of the San Diego market indicates 66% of the companies located in San Diego are emerging, young organizations with a need for cost effective biomanufacturing.
- Additionally, there is a robust venture capital market in San Diego funding the development of these companies and their innovative medicines. These two aspects, active drug development and capital, essentially indicate there will be growing demand for biomanufacturing.



“Unique” Biologic Competition

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Unique+Biologics Competitive Analysis Approach

- Competition for outsourced microbial fermentation, both biologics and vaccine production, world-wide, from small-scale through commercial production exceeds 30 companies which could be considered a "going-concern", that is they appear active and operationally sound from a regulatory perspective (CMOLocator.com, 2nd Edition Advances in Large-Scale Biopharmaceutical Manufacturing and Scale-up and Production 2007, Pharmacompare.com).



Unique+Biologics Competitors

Key Vaccine Contract Manufacturing Organizations (Virus and Microbial capabilities)

- The summary CMOs listed below support process development, cell banking, and cGMP Manufacturing. Most have integrated analytical capabilities to support both in-process and release testing although a few may outsource such complimentary activities.
- Most do not support nanomedicine development which should be a distinct advantage for Blue Ocean.



Unique+Biologics Competitors

Company	Location	Capacity/Capability
Florida Biologix	Alachua, FL	up to 100L in cell culture for vector manufacturing under cGMP conditions. Limited to PI/PII
Omnia Biologics	Rockville, MD	up to 100L in cell culture for vector manufacturing under cGMP conditions. Limited to PI/PII. Employ both fed-batch and perfusionsystems
Meridian Life Science Inc.	Memphis, TN	up to 100L in cell culture for vector manufacturing under cGMP conditions. Limited to PI/PII. Employ both fed-batch and perfusion systems
Vivalis	St Herblain, France	up to 100L in cell culture for vector manufacturing under cGMP conditions. Limited to PI/PII
SAFC	Carlsbad, CA	130L scale capacity in cell culture for viral based therapeutics and vaccines to support PI/PII
Aeras	Rockville, MD	BSL-2 for tuberculosis. Manufactures rBCG. Manufactures viral, protein and capsid virus.
Cytovance	Oklahoma City, OK	Up to 100L for microbial fermentation supporting PI/PII
KBI Biopharma	Durham, NC	140L Bioreactor (single) to support PI/PII clinical trials.
Center for Biocatalysis and Bioprocessing, U of Iowa	Coralville, IA	1,000L microbial fermentation to support PI/PII



Unique+Biologics Competitors

Company	Location	Capacity/Capability
Althea	San Diego, CA	DNA manufacturing and fill and finish activities. Cell line development, process development, cGMP Protein & DNA plasmid production among others
Boehringer Ingelheim	Freemont, CA	Microbial and cell line manufacturing
Goodwin Biotechbology	Plantation, Fl	Mammalian cell culture
Lonza/Vivante GMP Solutions	Houston, TX	GMP virus production
Paragon Bioservices	Baltimore, MD	Microbial and mammalian cell culture products
Therapure Biopharma	Toronto, CAN	Global CDMO focused on mammalian cell culture
Omnia Biologics	Rockville, MD	Focuses on virus production and products made in mammalian cell
Cytovance Biologics	Oklahoma, OK	Focuses on mammalian cell cultrre with limited microbial activity. Manufacturing services including cell banking & storage, cell cultrre, microbial, purification and fill/finish
ABL	Rockville, MD	Mammalian cell culture



Competitive Advantage: SMP Business Model

- Blue Ocean Biomanufacturing, Inc. is committed to becoming the Strategic Manufacturing Partner (SMP) of choice by developing world-class, accessible, cost effective biotherapeutics (complex biologics and nanotherapeutics) manufacturing capability, for the production of investigational products that will have the ability to serve the Southwest, the U.S., and international clients. Blue Ocean will work with our partners from early precompetitive research throughout drug development to streamline a product's life-cycle.
- Blue Ocean offers key advantages over traditional Contract Manufacturing Organizations (CMO). The SMP model has been successfully implemented into several industries such as auto, computer, and telecom. Analyzing how the current CMO industry operates is crucial to understanding the intrinsic benefits of the SMP model.
- The CMO industry is highly intense. Several large established CMOs have been in business for several decades and although they have offered a wide range of services, the outdated fixed-steel facility design infrastructure of these CMOs and inability to provide flexibility has been detrimental as the industry continues to move to a more flexible, single use manufacturing template.
- There is currently a paradigm shift in drug discovery away from large institutional companies to the small entrepreneurial companies that are unable to invest in large, capital intensive manufacturing facilities, thus, the SMP model is ideal for this market.



Competitive Advantage: Pharma-Designs & FlexFactory

- As an SMP, Blue Ocean forms a close partnership, in which both parties mutually participate in product development, manufacturing, regulatory support, funding and grant consultation, and/or other business functions. This relationship can be formed at the discovery or product development stage, and can extend through the entire life cycle of a partner's product. Blue Ocean has extensive experience in obtaining funding from both private and public sources, including submittal of NIH/SBIR grant applications, and can support client companies in their funding and grant activities.
- Blue Ocean takes advantage of breakthrough modular, single use, disposable technologies for producing biotherapeutics with reasonable economics. Blue Ocean will use innovative modular and single-use biomanufacturing equipment manufactured by GE Healthcare subsidiary Xcellerex. These new, single-use technologies for biomanufacturing increase the control of the process and product. Blue Ocean partners with AES Clean Technology, a leader in modular clean room design and installation, as the general contractor to design, engineer, and build its facilities. The result of combining modular, single-use technologies will result in a facility that is rapidly deployed and can provide major flexibility in biomanufacturing operations. This flexibility can improve throughput by more than 50% compared to conventional fixed-steel plants and can be reconfigured to manufacture a number of different products to meet a client's needs.



Regulators as a Key Market Driver

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Regulatory Guidance for Biopharmaceutical Industry

- The biopharmaceutical industry is heavily regulated by the FDA which requires that drug manufacturers abide by the Quality by Design Principles outlined in the following guidance documents
 - 2004; PAT ó A Framework for Innovative Pharmaceutical Development, Manufacturing, and Quality Assurance
 - 2006; Q8 Pharmaceutical Development
 - 2006; Q9 Quality Risk Management
 - 2009; Q10 Pharmaceutical Quality System
 - 2011; Process Validation: General Principles and Practices

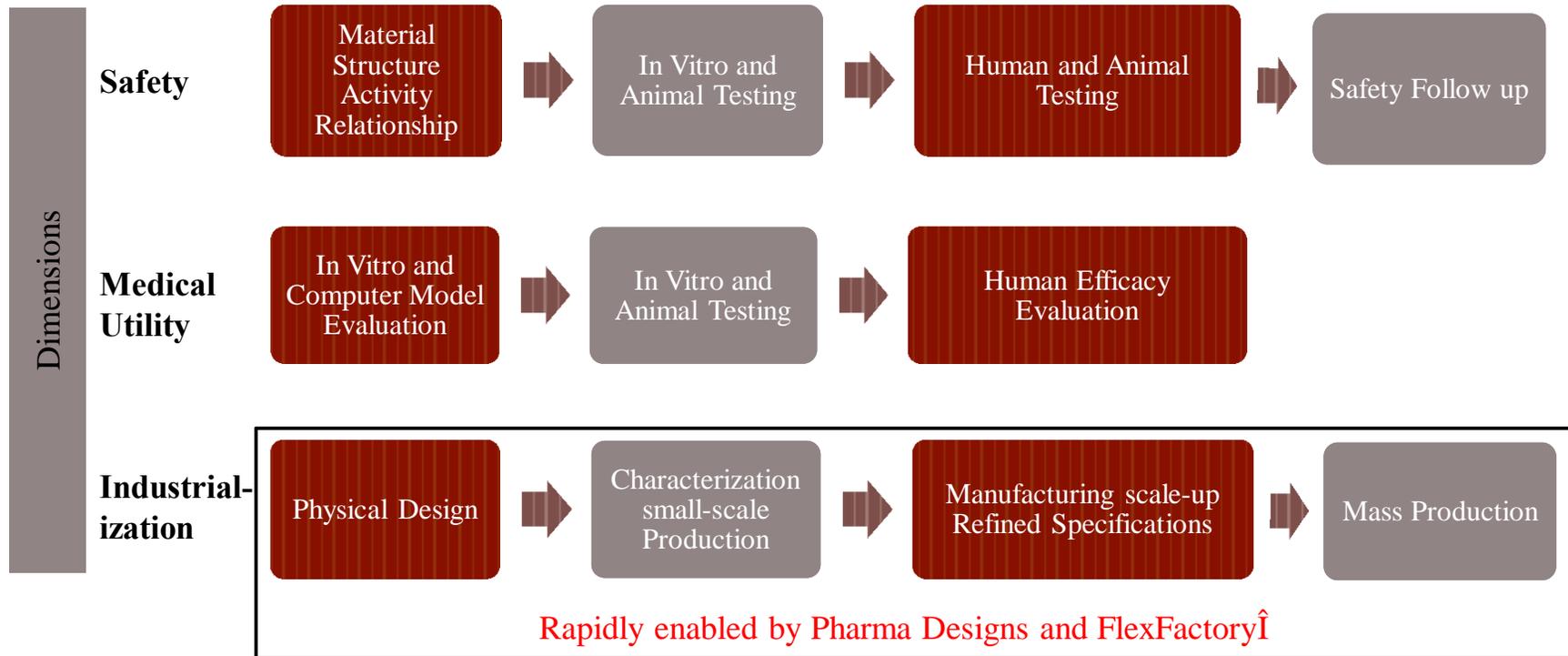


Regulatory: Drug Development

Dimension	Definition	Examples of Activities
Assessing Safety	Show that product is adequately safe for each stage of development	<ul style="list-style-type: none"> “ Preclinical: show that the product is safe enough for early human testing “ Eliminate products with safety problems early “ Clinical: show that product is safe enough for commercial distribution
Demonstrating Medical Utility	Show that the product benefits people	<ul style="list-style-type: none"> “ Preclinical: Select appropriate design (devices) or candidate (drugs) with high probability of effectiveness “ Clinical: Show effectiveness in people
Industrialization (Small, e.g. Blue Ocean)	Go from lab concept or prototype to a manufacturable product	<ul style="list-style-type: none"> “ Design a high-quality product <ul style="list-style-type: none"> - Physical design - Characterization - Specifications “ Develop mass production capacity <ul style="list-style-type: none"> - Manufacturing scale-up - Quality control



Regulatory: Three Dimensions of Drug Development



Working in Three Dimensions of Drug Development

- The availability of efficient, science-based standards for product characterization and manufacturing creates a win-win for consumers, patients, and the industry.
- Many product failures during development are ultimately attributable to problems relating to the transition from laboratory prototype to industrial product.



Drugmakers Seeking Approval Under FDASIA Must Keep Manufacturing In Mind; FDA

FDASIA - On July 9, 2012, President Obama signed into law the Food and Drug Administration Safety and Innovation Act (FDASIA), Pub. L. No. 112-114, which will provide more than \$6 billion in industry user fees to FDA over the next five years to help fund the Agency's review process for drugs and medical devices. FDASIA also creates new user fees for generic drugs and biosimilars and includes a number of provisions that improve the regulatory process.

FDASIA contains several of Medicare priorities, including:

- Creation of a risk-benefit framework for the drug approval process that will provide a consistent and balanced approach to FDA's decision making;
- Expansion of the accelerated approval process to new medical treatments;
- Provision of a new pathway for breakthrough therapies;
- Provision of incentives for antibiotic development;
- Improvement of the FDA's advisory committee conflict of interest rules;
- Clarification of the least burdensome standards for medical devices;
- Modification of the de novo application process;
- Acceleration of the appeals process for medical devices.

Regulatory

Drugmakers Seeking Approval Under FDASIA Must Keep Manufacturing in Mind; FDA

By Gareth Macdonald, March 20th, 2013

Planning for manufacturing scale up is a critical step that biotech drug developers often overlook according to US FDA Commissioner, Margaret Hamburg. Dr. Hamburg made the comments at the annual meeting of the Massachusetts Biotechnology Council last week during an address that examined the factors shaping innovation in the drug industry, including the 2012 FDA Safety and Innovation Act (FDASIA).

She said that while FDASIA had created an expedited pathway for candidate therapies whose preclinical data suggests they may be better than existing therapies, biotech start-ups need to look beyond development in the lab when seeking approval. *“No matter how good your data and how important the unmet need, **approval also hinges on where you have a manufacturing facility ready to go and a plan in place for scaling up production so you can manufacture your new drug and do so in a reliable, high quality facility.**”* *“Sadly,”* Hamburg continued, *“too many start-up companies fail to recognize this fundamental fact, and so approval is delayed.”*

She added that to date the FDA has received a total of 31 breakthrough therapy designation requests, of which nine have been granted, ten have been denied, eleven are pending, and one has been withdrawn. *“For those companies that are interested in knowing more about these various expedited development and review programs, we’re currently developing a guidance document that will describe each program and explain the criteria for each program – including what we mean by such concepts as “available therapy,” “unmet medical need,” and “serious condition.”*

- <http://www.in-pharmatechnologist.com/Regulatory-Safety/Drugmakers-Seeking-Approval-Under-FDASIA-Must-Keep-Manufacturing-In-Mind-FDA>



Economic Analysis



Economic Analysis Overview

- Economic analysis indicates that the capital infrastructure will cost ~\$15M to establish the facility with operating capital of ~\$5M over the first 24 months.
- Wellspring will initially employ ~40-50 people. Even though these pro forma financials illustrate a conservative growth trajectory, they are indicative of how a modest investment can represent a path forward for regional growth of a biomanufacturing industry.
- Federal Funding opportunities exist with the NIH, DoD, DTRA, DARPA, and BARDA for operating funds and while the EDA funds for capital investment with a special emphasis on the establishment of manufacturing.
- Proposals to biomanufacture complex nanomedicines at Wellspring for tuberculosis and glioblastoma have been submitted with UCLA and TGen for \$19.4M and \$4.8M respectively.
- Projects can range in duration from a few days to a couple of months, depending upon the overall complexity of the drug product being manufactured. For modeling purposes, a standard time of 40 days was used as the time to complete a project for a generic biologic project, which allowed for the projection of direct and indirect materials and labor costs. Using this cost based approach and knowledge of the elasticity of project pricing, a conservative revenue model was developed and described in the pro forma Income Statement.
- One of the primary business goals is to convert clients into long-term users of the FlexFactory¹ platform so that larger, more commercial sized product specific facilities can be built in Peoria. Even though these pro forma financials illustrate a conservative growth trajectory, they are indicative of how a modest investment can represent a path forward for regional growth of a biomanufacturing industry.



Financial Model Overview

- In the case of Wellspring, revenues will be derived from manufacturing drugs or complex molecules for its clients, which are designated "projects" in the trade.
- For clarity, \$20M startup investment was allocated to equity so the major financial drivers of the business depreciation and generation of free cash flow could be appropriately highlighted.
- Wellspring will have an initial capacity of 13 projects. Each project will have average revenues of ~\$900K.
- Due to the depreciation of the capital infrastructure, roughly \$2M in free cash flow is generated annually, which can be used to repay the start up capital.
- Utilizing FlexFactory® systems from GE Healthcare division Xcellerex as a backbone, projects can be completed in a very efficient manner, typically because there many savings integrated into the sytem that helps reduce overall costs to operate: 50% reduction in capital equipment investments, 30% in labor, 30% growing costs, 75% water utilization, and 55% overall carbon footprint compared to the more traditional fixed stainless steel CMO model.
- Introducing this flexible manufacturing environment to the robust biotechnology market located a five hour drive away in San Diego, could create a competitive advantage in cost structure that could be enticing to these clients, allowing for economic growth in a nascent biomanufacturing industry in Peoria.



Pro Forma Income Statement

Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Grant Funded Projects	0	1	2	3	4
Client Funded Projects	5	7	10	9	9
Total	5	8	12	12	13

Revenue Per Project

\$ 903,482

Total Revenue	\$ 4,517,412	\$ 7,227,858	\$ 10,841,788	\$ 10,841,788	\$ 11,745,270
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sales	\$ 4,517,412	\$ 7,227,858	\$ 10,841,788	\$ 10,841,788	\$ 11,745,270
Cost of Goods Sold	\$ 2,258,706	\$ 3,469,372	\$ 4,987,222	\$ 4,770,387	\$ 4,933,013
Gross Margin	\$ 2,258,706	\$ 3,758,486	\$ 5,854,565	\$ 6,071,401	\$ 6,812,257

Operating Expenses

Research & Development					
SG&A (Without Depreciation)	\$ 1,854,174	\$ 1,878,133	\$ 2,555,789	\$ 2,037,329	\$ 2,122,945
Total Operating Expenses	\$ 1,854,174	\$ 1,878,133	\$ 2,555,789	\$ 2,037,329	\$ 2,122,945

Income From Operations (EBITDA)	\$ 404,532	\$ 1,880,354	\$ 3,298,776	\$ 4,034,072	\$ 4,689,311
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Amortized Preoperative Exp	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ 2,069,829	\$ 2,069,008	\$ 2,068,924	\$ 2,068,836	\$ 2,068,744
TOTAL AMORT & DEP	\$ 2,069,829	\$ 2,069,008	\$ 2,068,924	\$ 2,068,836	\$ 2,068,744
Net Income Before Taxes (EBT)	\$ (1,665,297)	\$ (188,655)	\$ 1,229,852	\$ 1,965,236	\$ 2,620,568
Taxes on Income @ 40%	\$ -	\$ -	\$ 491,941	\$ 786,094	\$ 1,048,227
Tax Credit	\$ -	\$ -	\$ (491,941)	\$ (786,094)	\$ (575,916)
NET INCOME AFTER TAXES	\$ (1,665,297)	\$ (188,655)	\$ 1,229,852	\$ 1,965,236	\$ 2,148,257



Pro Forma Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flows from Operating Activities					
Net Income (Loss)	\$ (1,665,297)	\$ (188,655)	\$ 1,229,852	\$ 1,965,236	\$ 2,148,257
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Amortized Preoperative Exp	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$2,069,829	\$2,069,008	\$2,068,924	\$2,068,836	\$ 2,068,744
Changes in Operating Assets and Liabilities:					
Accounts receivable	\$ -	\$ 602,322	\$ 903,482	\$ 903,482	\$ 978,773
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ -	\$ -	\$ -	\$ -	\$ -
Corp Taxes Payables	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	\$ -	\$ (397)	\$ (1,205,292)	\$ (2,109,039)	\$ (3,163,380)
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Leases: Installment Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Net cash provided by operating activities	\$ 404,532	\$ 2,482,278	\$ 2,996,966	\$ 2,828,516	\$ 2,032,393
Cash Flows from Investing Activities:					
Additions to property, plant and equipment	\$ (14,500,000)	\$ -	\$ -	\$ -	\$ -
Disposal of property, plant and equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition of businesses, net of cash acquired	\$ -	\$ -	\$ -	\$ -	\$ -
Net cash (used in) investing activities	\$ (14,500,000)	\$ -	\$ -	\$ -	\$ -
Cash Flows From Financing Activities:					
Proceeds from short-term notes	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from long-term borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from stock options exercised	\$ -	\$ -	\$ -	\$ -	\$ -
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from Equity	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -
Net cash (used in) financing activities	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in cash and cash equivalent	\$ 5,904,532	\$ 2,482,278	\$ 2,996,966	\$ 2,828,516	\$ 2,032,393
Cash and cash equivalents at beginning of year	\$ -	\$ 5,904,532	\$ 8,386,810	\$ 11,383,776	\$ 14,212,292
Cash and cash equivalents at end of year	\$ 5,904,532	\$ 8,386,810	\$ 11,383,776	\$ 14,212,292	\$ 16,244,685



Pro Forma Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
<u>Current Assets</u>					
Cash	5,904,532	8,386,810	11,383,776	14,212,292	16,244,685
Accounts Receivable	0	602,322	903,482	903,482	978,773
Inventory	0	0	0	0	0
Other Current Assets	0	0	0	0	0
Total Current Assets	5,904,532	8,989,132	12,287,259	15,115,774	17,223,458
<u>Property, Plant & Equipment</u>					
Leasehold Improvements	0	0	0	0	0
Buildings	0	0	0	0	0
Machinery & Lab Equipment	14,500,000	13,285,714	13,285,714	13,285,714	13,285,714
Office Equipment	4,800	5,040	5,292	5,557	5,834
Automobiles	0	0	0	0	0
Accumulated Depreciation: PP&E	(2,069,829)	(4,138,837)	(6,207,761)	(8,276,597)	(10,345,341)
Total Net Plant & Equipment	12,434,971	9,151,917	7,083,245	5,014,673	2,946,208
Advance Payment to Suppliers					
Preoperative Expenses	0	0	0	0	0
Unamortized Organization costs	5,000	5,000	5,000	5,000	5,000
Amortization of POE & UOC	0	0	0	0	0
Total Other Assets	5,000	5,000	5,000	5,000	5,000
Total Assets	18,344,503	18,146,049	19,375,504	20,135,448	20,174,665
Liabilities & Owners' Equity					
<u>Current Liabilities</u>					
Short Term Debt		0	0	0	0
Accounts Payable	9,800	397	1,205,292	2,109,039	3,163,380
Corp Taxes Payables	0	0	0	0	0
Accrued Liabilities		0	0	0	0
Dividends Payable	0	0	0	0	0
Total Current Liabilities	9,800	397	1,205,292	2,109,039	3,163,380
<u>Long Term Liabilities</u>					
Total Long Term Liabilities	0	0	0	0	0
Total Liabilities	9,800	397	1,205,292	2,109,039	3,163,380
Owners' Equity					
Common Stock	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
	(1,665,297)	(1,853,951)	(624,100)	1,341,136	3,489,393
Total Owners' Equity	18,334,703	18,146,049	19,375,900	21,341,136	23,489,393
Total Liabilities & Owners' Equity	18,344,503	18,146,446	20,581,192	23,450,175	26,652,773



Wellspring Employment Overview

- Initial modeling of the workforce for a Blue Oceans facility indicates that 40-50 full time employees (FTE) will be required to staff the organization.
- While 6-8 of these positions require advanced degrees, most of the positions are designated as middle-skilled.
- Suitable candidates should be available in the region and can be further trained at the Worcester Polytechnic Institute's Biomanufacturing Education and Training Center in Worcester, Massachusetts through a partnership Blue Ocean has developed with WPI.



Wellspring Employment Overview

Position	# Employees	Years Experience	Education	Base Salary (\$1,000's)
Founder & CEO	1	10 to 15	PhD	\$170
President & COO	1	10 to 15	MS	\$170
VP Business Operations	1	7 to 12	MS	\$120
QC Manager	1	10 to 15	BS/MS/PhD	\$100
QC Technician Stage 5	1	10	BS/MS	\$55
QC Technician Stage 4	1	5 to 10	BS	\$40
QC Technician Stage 3	1	5	BS	\$35
QC Technician Stage 3	2	1 to 5	BS	\$30
QC Technician Stage 3	1	2 to 5	BS	\$31
QC Technician Stage 3	1	3 to 5	BS	\$32
QA Manager	1	20	BS/MS/PhD	\$120
QA Staffer Stage 4	1	5 to 10 (supervisor)	HS/BS/MS	\$50
QA Staffer Stag 3	1	5 to 10	HS/BS	\$40
QA Staffer Stage 2	1	5	HS/BS	\$35
QA Staffer Stage 1	1	1 to 5	HS/BS	\$30
Facilities/Engineering Manager	1	15 to 20	BS/MS	\$90
Stationary Engineers Stage 4	1	10 to 15	HS/BS	\$45
Stationary Engineers Stage 3	1	5 to 10	HS/BS	\$40
Stationary Engineers Stage 2	2	4 to 5	HS/BS	\$30
Production Manager	1	10 to 15	BS/MS	\$100
Production Operator Stage 5	3	10 to 15 (supervisor)	BS/MS	\$70
Production Operator Stage 4	4	5 to 10	BS/MS	\$50
Production Operator Stage 3	6	1 to 5	BS/MS	\$35
Production Operator	2	1 to 5	HS/BS	\$30
Materials Control Manager	1	10 to 15	BS/MS	\$80
Materials Control Staffer	1	1 to 5	HS/BS	\$30
Materials Control Staffer	2	0 to 5	HS/BS	\$25
Environmental Safety and Health Officer	1	10 to 15	BS/MS	\$80
IS/Security/Telephone/Integration Manager	1	10 to 15	HS/BS/MS	\$70
Metrology/Validation Manager	1	10 to 15	BS/MS	\$100
Metrology/Validation Technician	1	5 to 10	BS	\$50
Metrology/Validation Technician	1	1 to 5	HS/BS	\$40
Purchasing Clerk	1	5 to 10	HS/BS	\$40
Clerical	1	5 to 10	HS/BA	\$40
Clerical	1	1 to 5	HS/BA	\$30
Reception	1	1 to 5	HS/BA	\$30
Total FTE	50		Total	\$2,163
			Plus Overhead (25%)	\$2,704
			Mean	\$40,000
			Average Salary	\$43,260



Public Private Partnership

- Potential Participating Organizations



Existing Key Relationships

- **Translational Genomics Research Institute** (Phoenix, AZ): A non-profit Biomedical research institute that focuses on developing earlier diagnostics and smarter treatments for cancer, neurological disorders, diabetes and other complex diseases.
- **Centers for Cancer Nanotechnology Excellence:** Is the National Cancer Institute's collection of nine prestigious centers, including Northeastern University, Dartmouth, and MIT in the Northeast, dedicated to advancing nanotechnology in cancer therapy from bench to bedside. These centers intend to use this manufacturing space in the development and clinical scale production of new cancer therapies from its nine centers.
- **National Characterization Laboratory (NCL):** The NCL performs and standardizes the pre-clinical characterization of nanomaterials intended for cancer therapeutics and diagnostics. The NCL serves as a national resource and knowledge base for cancer researchers, and facilitates the development and translation of nanoscale particles and devices for clinical applications. Blue Ocean has partnered with the NCL to streamline the development of nanomedicines.
- **Nemucore Medical Innovations, Inc.** (Worcester, MA): Is a biomedical enterprise dedicated to developing life saving therapies for ovarian cancer. Nemucore's innovative Pharma-Designs software will be licensed to Blue Ocean and used for process development in the facility. Nemucore has also committed to using the facility for its own process development and for production of its own nanomedicines, which are being prepared to move into the clinic within 24-30 months.



Existing Key Relationships

- **Pfenex, Inc.** (San Diego, CA): Founded in 2009, is the leading protein expression company helping accelerate the development of new pharmaceutical and biotechnology products.
- **Blue Sky BioServices** (Worcester, MA): Is a contract research organization which offers services in process development. The partnership in process development is vital, allowing innovative biopharmaceuticals to be scaled for clinical testing and commercial manufacturing.
- **Worcester Polytechnic Institute Biomanufacturing and Education Training Center:** WPI's Biomanufacturing Education and Training Center at Gateway Park, a life sciences campus in the heart of New England's technological corridor, provides innovative workforce development solutions customized to specific needs. Serving life sciences companies from across the globe, the center represents an innovative partnership of academia and industry. Hands-on and classroom training is delivered by industry subject matter experts for professionals in a wide-range of roles and disciplines resulting in a workforce that is productive from day one. Experts in the field influenced the use of space and the choice of equipment to ensure that this center—the first of its kind in the Northeast—will meet the real-world needs.
- **AES Clean Technology:** Is the engineering firm designing and assembling the clean modular manufacturing facility. AES has successfully delivered projects for over 26 years using in-house engineering expertise with proven construction strategies. This results in a precise facility, executed safely and on-time, allowing clients to focus on developing life-changing medicines. AES has a long history of work and cooperation with Xcellerex.
- **Xcellerex** (Marlborough, MA): Will provide a suite of innovative products and services to support the adoption of its platform. These include the XDR line of single-use bioreactors, XDM line of mixers, and controlled environmental modules. The company also actively seeks creative partnerships to facilitate access to the platform. GE Healthcare recently purchased Xcellerex in May 2012. This purchase helps to ensure long-term sustainability of the Xcellerex platform and their continued support.



Economic Analysis Conclusions

- Wellspring would have a project capacity of ~13 projects per year with each project generating on average \$900K in revenue.
- Because of the asset rich nature of the business, analysis indicates it will generate free cash flow suitable to repay non-grant start-up funds
- Analysis indicates that deploying a modular FlexFactory[®] could be accomplished in a cost effective manner and have the ability to create an initial 40-50 new jobs.
- Middle skilled workers could be recruited from the current regional workforce, with additional skills learned by attending hands on workshops at WPI's biomanufacturing and Education Training Center. Therefore, from a talent and investment perspective, a supply of biomanufacturing workers can be created in a cost effective manner.
- The conclusion of this analysis indicates that both supply and demand opportunities exist, and therefore, realistic plans to develop a public private partnership to fund the creation of biomanufacturing capacity in Peoria should be examined forthwith.



Management

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Michael (Mike) Masterson MS, MBA - Executive Chairman & Co-Founder

Mr. Masterson, a Blue Ocean co-founder, is a highly accomplished engineer, business executive, entrepreneur, and investor with multi-decade experience in commercializing sustainable healthcare technologies and deep expertise in building healthcare businesses as the founder and CEO of multiple healthcare-related companies. Mr. Masterson is also the former CEO of Xcellerex where he was instrumental in transitioning the company from an early-stage startup to a commercial-track enterprise by raising over \$30M in investment capital. He has compelling venture investment experience, with an extensive network within the financial, academic and healthcare industries. He has raised over \$100M in investment capital from leading venture firms in the U.S. and has created over \$500M in commercial value from these investments. Both the University of Colorado and the University of Massachusetts have awarded Mr. Masterson their selective Distinguished Engineering Alumni Award in recognition of his prolific career as a technology entrepreneur. He is also Vice-Chairman at the Wentworth Institute of Technology in Boston, MA. He earned chemical engineering degrees (BS and MS) from the University of Massachusetts and the University of Colorado and is a graduate of the Owners-President Management program at the Harvard Business School.





Timothy P. Coleman PhD, MBA - CEO, Director and Co-founder

Dr. Coleman is a Blue Ocean Biomanufacturing co-founder and CEO. He has been in the biotechnology industry for over 15 years. Before his current position he was the manager of the Biomedical Strategy Group in PricewaterhouseCoopers. Prior to joining PwC, Dr. Coleman was president, CEO and co-founder of BioCache Pharmaceuticals, Inc., a Richmond, Virginia based biopharmaceutical company primarily engaged in the research and development of cancer vaccines. There, he was a National Cancer Institute funded principal investigator studying the interaction of cancer vaccines with Toll-Like Receptors (TLRs) to induce a clinically relevant immune response. Additionally, he successfully led the firm's growth through early stage funding, strategic expansion and eventual establishment of a non-founding executive leadership team. Dr. Coleman has been awarded a B.S. in biochemistry from Worcester Polytechnic Institute, a Ph.D. from the Medical College of Virginia in molecular biophysics and biochemistry, and an MBA from Boston University with a focus in finance and entrepreneurship.





David Williams MS – President & COO

Mr. Williams is the President and COO of Blue Ocean. Prior to this, Dave was the sole proprietor of TS Consulting LLC, a company specializing in CMC consulting operations in the large and small molecule markets. TS Consulting was formed in 1992 to support part-time consultation to the newly expanding CMO market and start-up companies. Prior to running TS consulting as a full-time operation, he was Senior Vice President of Operations for Chlorogen, Inc., in St. Louis, MO. He joined Chlorogen in June of 2003 from CropTech Corporation in Blacksburg, Virginia, where he served as Chief Technology Officer and Sr. VP of Operations. Mr. Williams also served with Monsanto Company as Vice President of Operations for the Integrated Protein Technologies (IPT) business unit; Cephalon, Inc., as Director of Operations; founding partner and VP of Operations for Bio Science Contract Production Corporation (which became Cambrex Bio Science); and North American Vaccine as Director of Manufacturing for pediatric vaccines. He has over 25 years of experience in cGMP large and small molecule manufacturing operations, process development /scale-up, facility design and construction, state and local incentive development programs, and R&D. He has also performed consultation work for the U. S. Department of State and the United Nations as UNSCOM Deputy Chief Inspector for the United Nations biological weapons inspection program in Iraq. He holds a M.S. degree in Industrial Microbiology/Biochemistry, and completed Ph.D. requirements, all but dissertation, in Microbiology/Biochemistry from the University of Oklahoma.





Nicole Stephenson MS, MBA - Vice President of Business Operations & Secretary of the Board of Directors

Mrs. Stephenson coordinates the interaction of the financial and operational aspects of Blue Ocean. Previously Nicole worked at PricewaterhouseCoopers LLP as a Senior Associate from 2006-2011 as a member of the PwC's Health Industries Advisory Services Biomedical Strategy Group. At PwC she specialized in identifying clinical trial operational efficiencies and regulatory compliance issues associated with clinical research in the life sciences, pharma or academic medical center space. Nicole has worked in the research setting at several top biopharmaceutical companies in Cambridge, the Massachusetts General Hospital and Florida State University. She holds a Master of Science in Biological Science from Florida State University as well as a Master of Business Administration from Boston University.



Board of Directors

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Estuardo Aguilar MD, PhD

Dr. Aguilar-Cordova is a recognized leader in the fields of biotherapeutics and cancer research with over 25 years experience in Molecular Biology and Medicine, GMP biological manufacturing and as principal or co-investigator in over twenty clinical trials ranging from Phase I-III. Prior to moving into his current role as CEO of Advantagene, a privately held clinical stage biotechnology company, he held academic faculty positions for over 15 years. Most recently he was Deputy Director of the Harvard Gene Therapy Initiative at the Harvard Medical School and prior to that a faculty member in Pediatrics, Hematology-Oncology at Baylor College of Medicine. He has served in many national oversight committees, including as chair and member of the NIH Recombinant Advisory Committee (RAC) for six years, as a consultant to the FDA Biological Response Modifiers Advisory Committee (BRMAC) and as a member of the Vaccine and Related Products Advisory Committee (VRPAC) of the FDA. He has held many other prestigious appointments including Director of Cell and Molecular Therapy Laboratories at the Texas Children's Hospital in Baylor College of Medicine, Houston, TX and President of the Latin American Gene Therapy Society. Dr. Aguilar-Cordova has published over 75 peer-reviewed scientific publications and book chapters, is on the editorial board of various professional journals and is an inventor on several patent applications. He did his undergraduate studies in Biology at California State University, Bakersfield; Medicine, at Universidad Francisco Marroquin in Guatemala City, and received his Ph.D. in Molecular Genetics at the University of California at Davis.





Michael Schrader MSIS, MBA

Mr. Schrader is a Vice President of Finance with Fidelity Investments. He is currently leading the Strategic Decision Support function for Fidelity Institutional focused on operating performance management and analysis, new business development and competitive intelligence. He is a graduate of Fidelity's Financial Leadership Program and has held a number of diverse roles across Fidelity in areas including Corporate Business Development, Treasury, Institutional Brokerage, Asset Management and Controllershship. Michael received his Bachelors and Masters of Science in Civil Engineering from the University of Kentucky and his MBA and Masters in Information Systems from Boston University.



Advisors





Bryan Costantino MA, MBA

Mr. Costantino is a Partner with PricewaterhouseCooper's (PwC) Health Industry Practice. He is currently the Northeast Market Leader and has held numerous leadership positions during his tenure with PwC, including serving as the National Practice Leader. He has served numerous clients across the firm's Provider, Payor and Life Sciences Sectors, while providing solutions on industry issues such as Corporate Compliance, Reimbursement and Regulatory, Operations and Cost Containment, Mergers and Affiliations, Software Development and Sales, and Strategic Initiatives. Bryan received his Bachelors of Science in Biology and Chemistry from Kansas State University and his MBA and Masters in Professional Accounting from The University of Hartford.



Appendix



Grants: Operating Projects, Capital Infrastructure and Work Force Training

D-118

FIRSTSTRATEGIC
Communications & Public Affairs
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UCLA . U19 Center of Excellence in Translational Research (CETR)

- U19 CETR - \$19.4M

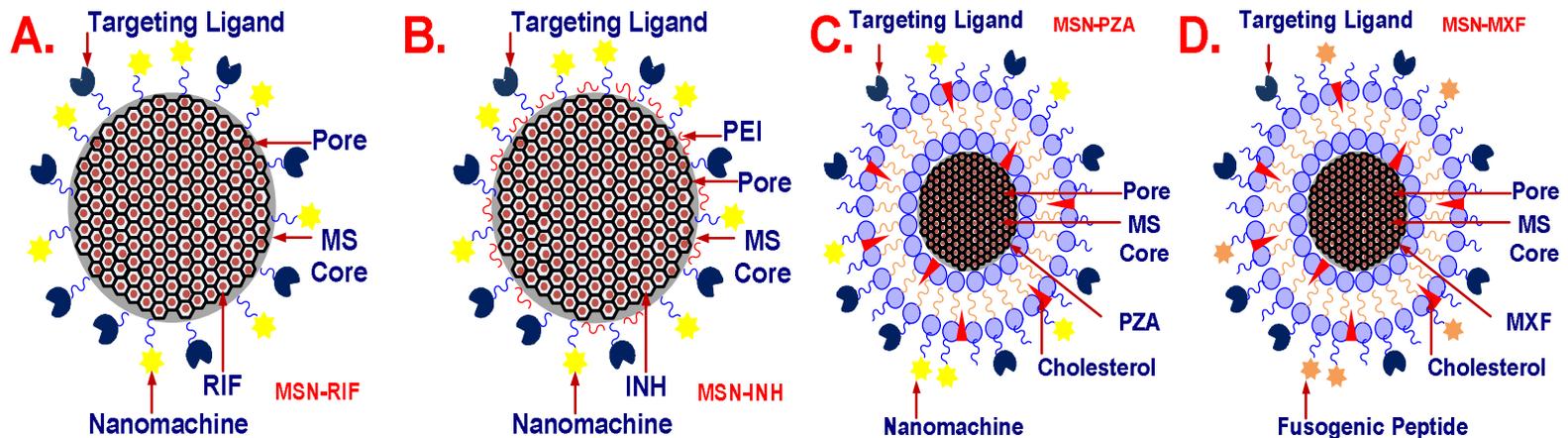


Figure 1. Schematic representation of the four potential configurations of MSNs that could come out of Projects I-III; A. MSN-RIF; B. MSN-INH; C. MSN-PZ; and D. MSN-MXF. Panels A & B are based on Dr. Zink's technology while Panels C & D are based on Dr. Brinkers technology. During Project IV the actual constructs that performed best in Projects I-III will be optimized for synthesis and undergo investigative safety, pharmacokinetics, pharmacodynamics, and toxicology studies to inform IND enabling studies outlined as part of the Product Development Plan. Not drawn to exact dimensions as all MSNs will be between 50-100nm in size.

Pfenex - SBIR

- Mullerian Inhibitory Substance
 - Phase I \$225K
 - This SBIR proposal describes studies required to scale production of recombinant human Müllerian Inhibiting Substance (rhMIS) shown by Dr. Patricia Donahoe and colleagues to specifically target Ovarian Cancer cell populations that respond poorly to currently used chemotherapeutic agents.
 - Phase II \$1.5M



TGen/Barrows Neurological Institute

- R01 - \$5M

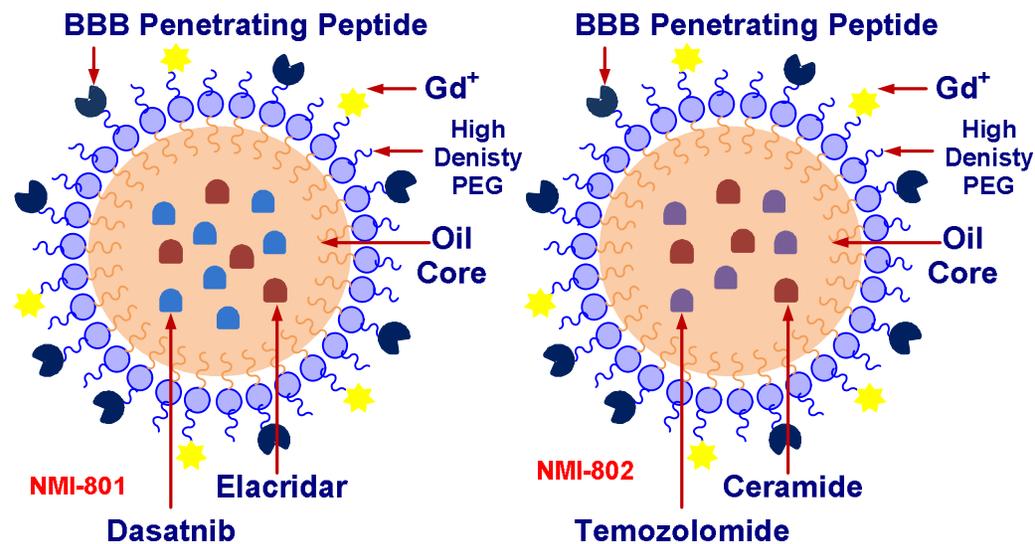


Figure 1. Schematic representation of the two Image Guided Drug Delivery nanomedicines to be investigated during this study, NMI-801: loaded with Dasatnib & Elacridar; and NMI-802: loaded with Temozolomide & Ceramide.

Economic Development Administration (EDA)

- Grant Funding Mechanism: Capital infrastructure matching funds up to \$2M
- The EDA provides strategic investments that foster job creation and attract private investment to support development in economically distressed areas of the United States. Under this FFO, EDA solicits applications from both rural and urban areas to provide investments that support construction, non-construction, technical assistance, and revolving loan fund projects under EDA's Public Works and Economic Adjustment Assistance programs. **Grants made under these programs are designed to leverage existing regional assets to support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities.**



Arizona Economic Council

Applications in Progress

- **AZ Job Training Grants Program** Ó This program stimulates economic growth in Arizona by supporting the design and delivery of customized employee training plans. Depending on company size, wages, and industry, the Job Training Grants Program can provide reimbursable grants with training expenses.
- **AZ Quality Jobs Tax Credit Program** - Offers up to \$9,000 income tax credit for each new "quality job" created over a three-year period by qualified companies.
- **The Arizona Innovation Accelerator Fund** - A \$18.2 million loan participation program funded through the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) working to stimulate financing of small businesses and manufacturers, while fostering business expansion and job creation in the state of Arizona.
- **AZ Research & Development Tax Credit Program** - The goal of the program is to encourage Arizona businesses to continue investing in research and development activities. The R & D tax credit is equal to 24% of the first \$2.5 million in qualifying expenses plus 15% of the qualifying expenses in excess of \$2.5 million, from 2011-2017.
- **The Arizona Competitive Package** - Includes a \$9,000 per job corporate income tax credit, a reduction in personal property tax on equipment and machinery, a reduction of corporate income tax rate to 4.9% in 2014, and reduces the commercial and industrial real and personal property tax by 10%.





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623-565-5030



Olive Industrial Building
8009 West Olive Avenue

The Perfect Solution for Your Business

Built in 2001, the property is an excellently designed with 50,063 SF of warehouse space that includes 5,300 SF of developed office space, a 28' clear, and 2000 amps. It is located next to the Peoria Municipal Operations Center and just outside Peoria Industrial Park. A proposed 328-acre rail-centric development called Rovey Industrial Park is planned nearby. The 4.14 acre site is well landscaped with low water use planting and includes well-maintained paving and truck maneuvering areas. It has a total of four dock doors: two at grade and two higher docks. Its proximity to Luke Air Force Base makes it perfect for companies supporting the new F-35 mission.



Olive at a Glance

Address:	8009 West Olive Avenue, Peoria, AZ 85345
APN:	142-21-003N
Zoning:	I-1; Light Industrial
Lot Size:	4.14 AC
Building Type:	Industrial – Warehouse
Class:	B
Rentable Building Area (RBA)/ Gross Leasable Area (GLA):	50,063 SF
SF Available:	50,063 SF
Industrial:	44,763 SF (89.4%)
Office:	5,300 SF (10.6%)
Vacancy:	100%
Year Built:	2001
Stories:	1
Tenancy:	Single
Ceiling Height:	28'
Power:	2,000 Amps / 277-480v 3p
Drive-ins:	3
Sprinklered:	Yes
Parking Provided:	56 Surface Parking



Ideal for:

- Advanced business solutions
- Advanced manufacturing
 - Bioscience
 - Health care
- Alternative energy
- Telecommunications
- Higher education





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P.O. Box 969
Peoria, AZ 85380



Seldon Industrial Building

7733 West Seldon Lane, Peoria AZ

The Perfect Solution for Your Business

Built in 1988, the property is a 25,914 SF industrial warehouse located within the Peoria Industrial Park. Existing nearby businesses include the Peoria Municipal Operations Center and the Butler Water Reclamation Facility. The building has direct access to U.S. Route 60/ Grand Avenue, an important transportation and freight corridor that connects downtown Phoenix to the West Valley and other regional markets.



Seldon at a Glance

APN:	200-63-587
Subdivision:	Peoria Industrial Park
Lot:	69
Zoning:	I-1; Light Industrial
Lot Size:	1.72 AC
Building Type:	Industrial – Warehouse
Class:	B
Rentable Building Area (RBA)/ Gross Leasable Area (GLA):	25,194 SF
SF Available:	25,194 SF
Vacancy:	100%
Year Built:	1988
Stories:	1
Tenancy:	Single
Ceiling Height:	18'
Power:	800 Amps / 120v-208v 3p
Drive-ins:	3 – 8'W x 18' H
Parking Provided:	20 Surface Parking



Ideal for:

- Advanced business solutions
- Advanced manufacturing
 - Bioscience
 - Health care
- Alternative energy
- Telecommunications
- Higher education

