



Arizona Competes Fund

Quarterly Report

April 1, 2017 through June 30, 2017



ARIZONA COMPETES FUND

Quarterly Report

July 17, 2017

I. Overview

Pursuant to A.R.S. § 41-1545 *et seq.*, the Arizona Commerce Authority (the “Authority”) administers the Arizona Competes Fund (the “ACF”). In accordance with A.R.S. § 41-1545.02, grants from the ACF may be used for (i) attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1)); and (ii) supporting and advancing programs and projects for rural businesses, small businesses, and business development that enhance economic development (A.R.S. § 41-1545.02(A)(2)).

This document constitutes the Authority’s quarterly report regarding ACF activity for the fourth quarter (April 1, 2017 through June 30, 2017) (“Q4”) of fiscal year 2017 (July 1, 2016 through June 30, 2017) (“FY2017”).

II. Grants attracting, expanding or retaining Arizona basic enterprises – A.R.S. § 41-1545.02(A)(1)

During Q4 of FY2017, the Authority awarded the three (3) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$6,000,000.

Grantee	Caterpillar Global Mining, LLC
Award Amount	\$4,000,000
New Jobs Commitment	635
Average Wage Commitment	\$90,000
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$50,000,000



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Grantee	ADP
Award Amount	\$1,500,000
New Jobs Commitment	1500 ¹
Average Wage Commitment	\$46,210
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$33,750,000

Grantee	DOT Foods
Award Amount	\$500,000
New Jobs Commitment	125
Average Wage Commitment	\$34,000
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$46,000,000 ²

III. Grants supporting and advancing programs and projects for rural businesses, small businesses and business development that enhance economic development – A.R.S. § 41-1545.02(A)(2)

A. Grants Awarded in Q4 FY2017

During Q4 FY2017, the Authority awarded six (6) grants in accordance with A.R.S. § 41-1545.02(A)(2) through the following program that enhances economic development for rural businesses.

¹ Grantee is required to retain at least 150 existing jobs paying an average wage of \$46,210.

² The Project will entail new capital investment of \$46 million, at least \$27 million of which must reflect the costs of facility construction.



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Program:	Arizona Innovation Challenge (“AIC”)
Objective:	The AIC is a competitive business plan competition that helps innovative start-up and early stage companies establish a foundation and grow in Arizona.
Awards:	AIC awards made in Q4 FY2017 aggregated \$1,500,000.
Grantees:	AIC awards were made in Q4 FY2017 to the following six (6) entities in the amount of \$250,000 each: 1. Attribytes 2. ClickIPO 3. Codelucida 4. Electric Torque Machines 5. Hydronalix 6. Naya Energy

IV. Fund Status

Since inception of the ACF, the ACA has awarded 113 grants through three programs resulting in *gross* ACF commitments to date totaling \$55,401,748. Under A.R.S. § 41-1545.02(A)(1), 27 grants have been awarded in the cumulative amount of \$34,000,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 86 grants have been awarded in the cumulative amount of \$21,401,748.

In respect to the 24 grants originally awarded pursuant to A.R.S. § 41-1545.02(A)(1); (i) three grants in an aggregate amount of \$2,950,000 were relinquished by grantees without any payments to the respective grantees, and (ii) the performance periods of two other grants expired with aggregate remaining payment commitments of \$667,670, one of which resulted in a repayment by the grantee to the ACA of \$91,090.

In respect to the funding of the two programs under A.R.S. § 41-1545.02(A)(2), (i) one grant of \$250,000 was relinquished by the awardee without any payment to the awardee, and (ii) the performance period of five grants expired with aggregate remaining payment commitments of \$246,887.

Taking into consideration the adjustments described in the two preceding paragraphs, the *net* ACF commitments as of the date hereof total \$51,287,191 (\$55,401,748 in the original gross commitments minus aggregate adjustments of \$4,114,557).



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V. Reporting Schedule – FY2017 & New Reporting Schedule for FY2018

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/16 through 9/30/16	10/18/16
Second Quarter (“Q2”)	10/1/16 through 12/31/16	1/17/17
Third Quarter (“Q3”)	1/1/17 through 3/31/17	4/17/17
Fourth Quarter (“Q4”)	4/1/17 through 6/30/17	7/17/17
Comprehensive Annual Report	7/1/16 through 6/30/17	11/1/17

New Reporting Schedule for FY2018

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/17 through 9/30/17	10/16/17
Second Quarter (“Q2”)	10/1/17 through 12/31/17	1/15/18
Third Quarter (“Q3”)	1/1/18 through 3/31/18	4/16/18
Fourth Quarter (“Q4”)	4/1/18 through 6/30/18	7/16/18
Comprehensive Annual Report	7/1/17 through 6/30/18	11/1/18

