



Arizona Competes Fund

Quarterly Report

July 1, 2018 through September 30, 2018



ARIZONA COMPETES FUND

Quarterly Report

October 15, 2018

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 first quarter (July 1, 2018 through September 30, 2018) (“Q1”) of fiscal year 2019 (July 1, 2018 through June 30, 2019) (“FY2019”).

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

During Q1 of FY 2019, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(1).

During this same period, one grant was rescinded pursuant to mutual agreement at the initial request of the grantee. Orbital ATK, Inc. significantly revised upward its original plans for job creation and capital investment in the State. As a result of this expansion in plans, statutorily available incentives became more attractive for Orbital ATK, Inc. and the ACF grant was surrendered. The rescinded grant was originally issued in Q3 of FY2017 for a total amount of \$2.5 million.



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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)

During Q1 of FY 2019, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(2).

IV. Fund Status

Since inception of the ACF, the ACA has awarded 125 grants through three programs resulting in *gross* ACF commitments to date totaling \$72,701,748. Under A.R.S. § 41-1545.02(A)(1), 33 grants have been awarded in the cumulative amount of \$49,800,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 92 grants have been awarded in the cumulative amount of \$22,901,748.

In respect to the 33 grants originally awarded pursuant to A.R.S. § 41-1545.02(A)(1); (i) four grants in an aggregate amount of \$5,450,000 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 seven grants expired with aggregate remaining payment commitments of \$294,848.

Taking into consideration the adjustments described in the two preceding paragraphs, the *net* ACF commitments as of the date hereof total \$66,039,229 (\$72,701,748 in the original gross commitments minus aggregate adjustments of \$6,662,519).



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V. Reporting Schedule –

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/18 through 9/30/18	10/15/18
Second Quarter (“Q2”)	10/1/18 through 12/31/18	1/15/19
Third Quarter (“Q3”)	1/1/19 through 3/31/19	4/15/19
Fourth Quarter (“Q4”)	4/1/19 through 6/30/19	7/15/19
Comprehensive Annual Report	7/1/19 through 6/30/19	11/1/19

