



# Arizona Competes Fund

Quarterly Report

January 1, 2020 through March 31, 2020

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April 15, 2020

## ***I. Overview***

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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 microenterprises, 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 third quarter (January 1, 2020 through March 31, 2020 (“Q3”)) of fiscal year 2020 (July 1, 2019 through June 30, 2020) (“FY2020”).

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

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During Q3 of FY2020, the Authority awarded three (3) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$2,750,000.

<b>Grantee</b>	<b>NortonLifeLock, Inc.</b>
Award Amount	\$1,000,000
New Jobs Commitment	150 <sup>1</sup>
Average Wage Commitment	\$157,000
Health Insurance Commitment	65%
Capital Investment Commitment	\$13,412,328

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<sup>1</sup> The grant requires the grantee to retain 451 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$81,020.

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Grantee	Choice Hotels International, Inc.
Award Amount	\$500,000
New Jobs Commitment	250 <sup>2</sup>
Average Wage Commitment	\$90,473
Health Insurance Commitment	65%
Capital Investment Commitment	\$25,866,500

Grantee	Mark Anthony Brewing, Inc.
Award Amount	\$1,250,000
New Jobs Commitment	250
Average Wage Commitment	\$42,614
Health Insurance Commitment	65%
Capital Investment Commitment	\$275,000,000

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

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During Q3 of FY 2020, the Authority awarded eight (8) grants in accordance with A.R.S. § 41-1545.02(A)(2) through the two programs that supports small business and business development that enhances economic development:

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<sup>2</sup> The grant requires the grantee to retain 147 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$99,106.

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1.	<b>Program:</b>	<b>Arizona Innovation Challenge ("AIC")</b>
	<b>Objective:</b>	The AIC is a competitive business plan competition that helps innovative start-up and early stage companies establish a foundation and grow in Arizona.
	<b>Awards:</b>	AIC awards made in Q3 FY2020 aggregated to \$1,200,000.
	<b>Grantees:</b>	AIC awards were made in Q3 FY2020 to the following entity in the amount of \$150,000: <ol style="list-style-type: none"><li>1. AdviNow, Inc.</li><li>2. Biosensing Instrument, Inc.</li><li>3. Emagine Solutions Technology, LLC</li><li>4. Oralkleen, LLC</li><li>5. Otojoy, PBC</li><li>6. Radpay, Inc.</li><li>7. Reglagene Holding, Inc.</li><li>8. RexPay, Inc.</li></ol>

## IV. Fund Status

Since inception of the ACF, the ACA has awarded 164 grants through three programs resulting in gross ACF commitments to date totaling \$96,054,748. Under A.R.S. § 41-1545.02(A)(1), 44 grants have been awarded in the cumulative amount of \$68,800,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 120 grants have been awarded in the cumulative amount of \$27,254,748.

In respect to the 44 grants originally awarded pursuant to A.R.S. § 41-1545.02(A)(1); (i) five grants in an aggregate amount of \$6,450,000 were relinquished by grantees without any payments to the respective grantees, and (ii) the performance periods of three other grants expired with aggregate remaining payment commitments of \$840,170, 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 \$88,219,729 (\$96,054,748 in the original gross commitments minus aggregate adjustments of \$7,835,018).

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## V. Reporting Schedule – FY2020

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Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/19 through 9/30/19	10/15/19
Second Quarter (“Q2”)	10/1/19 through 12/31/19	1/15/20
Third Quarter (“Q3”)	1/1/20 through 3/31/20	4/15/20
Fourth Quarter (“Q4”)	4/1/20 through 6/30/20	7/15/20
Comprehensive Annual Report	7/1/19 through 6/30/20	10/30/20

