



# Arizona Competes Fund

## Quarterly Report

July 1, 2019 through September 30, 2019

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## 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 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 first quarter (July 1, 2019 through September 30, 2019 (“Q1”)) 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)

During Q1 of FY2020, the Authority awarded the three (3) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$4,500,000.

<b>Grantee</b>	<b>23andMe, Inc.</b>
Award Amount	\$500,000
New Jobs Commitment	52
Average Wage Commitment	\$100,000
Health Insurance Commitment	65%
Capital Investment Commitment	\$18,367,000

<b>Grantee</b>	<b>Nikola Corporation</b>
Award Amount	\$3,500,000
New Jobs Commitment	2,012
Average Wage Commitment	\$65,000
Health Insurance Commitment	65%
Capital Investment Commitment	\$1,000,000,000

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Grantee	Universal Electronics, Inc.
Award Amount	\$500,000
New Jobs Commitment	131
Average Wage Commitment	\$103,684
Health Insurance Commitment	65%
Capital Investment Commitment	\$5,414,810

### ***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)***

During Q1 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:

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 Q1 FY2020 aggregated to \$1,050,000.
	<b>Grantees:</b>	AIC awards were made in Q1 FY2020 to the following seven (7) entities in the amount of \$150,000 each: <ol style="list-style-type: none"><li>1. Additive Implants, Inc.</li><li>2. Admiral Instruments, LLC</li><li>3. BrightGuest Technologies, Inc.</li><li>4. CATS Tonometer, LLC</li><li>5. Digitile, Inc.</li><li>6. Innovative Construction Technology, Inc.</li><li>7. Lyfechannel, Inc. dba LIGHTHOUSE</li></ol>

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2.	<b>Program:</b>	<b>Arizona Small Business Development Center Grant (AZSBDCG)</b>
	<b>Objective:</b>	The AZSBDCG is a grant program administrated through the Arizona Small Business Development Center (SBDC) network to enhance economic development by tracking and improving business creation, location, and expansion activities in rural Arizona. This program will extend ACA's reach into rural Arizona with a constant presence via the SBDC staff promoting state programs and resources to small businesses.
	<b>Grantee:</b>	One (1) AZSBDCG award was made in Q1FY2020 to the following entity covering nine (9) rural Small Business Development Centers: 1. Maricopa County Community College - \$303,000

## IV. Fund Status

Since inception of the ACF, the ACA has awarded 150 grants through three programs resulting in gross ACF commitments to date totaling \$90,804,748. Under A.R.S. § 41-1545.02(A)(1), 40 grants have been awarded in the cumulative amount of \$65,050,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 110 grants have been awarded in the cumulative amount of \$25,754,748.

In respect to the 40 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 \$82,969,729 (\$90,804,748 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	7/1/20 through 6/30/20	10/30/20

