



# Arizona Competes Fund

## Quarterly Report

October 1, 2017 through December 31, 2017



# ARIZONA COMPETES FUND

Quarterly Report

January 15, 2018

## 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 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 second quarter (October 1, 2017 through December 31, 2017) (“Q2”) of fiscal year 2018 (July 1, 2017 through June 30, 2018) (“FY2018”).

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

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During Q2 of FY2018, the Authority awarded the one (1) grant described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$5,000,000.

Grantee	Raytheon Company
Award Amount	\$5,000,000
New Jobs Commitment	1,975 <sup>1</sup>
Average Wage Commitment	\$75,000
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$492,300,000

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<sup>1</sup> In order to receive full payment of the grant, the Grantee is further required to retain 9,754 existing jobs paying an average wage of at least \$110,328.



# ARIZONA COMPETES FUND

Quarterly Report

January 15, 2018

### 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)*

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#### A. Grants Awarded in Q4 FY2017

During Q2 FY2018, the Authority awarded six (6) grants in accordance with A.R.S. § 41-1545.02(A)(2) through the following program that supports small business and business development that enhances economic development:

<b>Program:</b>	<b>Arizona Innovation Challenge (“AIC”)</b>
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 Q2 FY2018 aggregated \$1,500,000.
Grantees:	AIC awards were made in Q2 FY2018 to the following six (6) entities in the amount of \$250,000 each: <ol style="list-style-type: none"><li>1. GT Medical Technologies Inc.</li><li>2. Life365, Inc.</li><li>3. Paradox, LLC</li><li>4. Resonea, Inc.</li><li>5. Renewlogy</li><li>6. SimpleWan, Inc.</li></ol>

#### IV. *Fund Status*

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Since inception of the ACF, the ACA has awarded 123 grants through three programs resulting in *gross* ACF commitments to date totaling \$71,701,748. Under A.R.S. § 41-1545.02(A)(1), 31 grants have been awarded in the cumulative amount of \$48,800,000. 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 31 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



# ARIZONA COMPETES FUND

Quarterly Report

January 15, 2018

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 \$67,539,229 (\$71,701,748 in the original gross commitments minus aggregate adjustments of \$4,162,519).

## V. Reporting Schedule –

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

