

ARIZONA COMPETES FUND

Quarterly Report

July 15, 2015



ARIZONA
COMMERCE
AUTHORITY

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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 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, 2015 through June 30, 2015) (“Q4”) of fiscal year 2015 (July 1, 2014 through June 30, 2015) (“FY2015”).

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

A. Grants Awarded in Q4 FY2015

During Q1 FY2015, the Authority awarded no ACF grants in accordance with A.R.S. § 41-1545.02(A)(1).

B. Grants Awarded in Q3 FY2015

During Q3 FY2015, the Authority awarded the following single ACF grant in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$4,000,000:

Grantee	Northern Trust Corporation
Award Amount	\$4,000,000
New Jobs Commitment	1,000
Average Wage Commitment	\$80,000
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$26,000,000

C. Grants Awarded in Q2 FY2015

During Q2 FY2015, the Authority awarded the following single ACF grant in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$1,500,000:

Grantee	Zenefits (YourPeople, Inc.)
Award Amount	\$1,500,000

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New Jobs Commitment	1,300
Average Wage Commitment	\$60,000
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$13,000,000

D. Grants Awarded in Q1 FY2015

During Q1 FY2015, the Authority awarded no ACF grants in accordance with A.R.S. § 41-1545.02(A)(1).

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 FY2015

During Q4 FY2015, the Authority awarded grants in accordance with A.R.S. § 41-1545.02(A)(2) through the following program supporting small business and business development that enhance economic development:

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 FY2015 aggregated \$1,500,000.
Grantees:	AIC awards were made in Q4 FY2015 to the following six (6) entities: <ol style="list-style-type: none">1. CampusLogic, Inc.2. eVisit, LLC3. RBar Organic, LLC4. RevolutionParts, Inc.5. RightBio Metrics Inc.6. Swimlane, LLC

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B. Grants Awarded in Q3 FY2015

During Q3 FY2015, the Authority awarded grants in accordance with A.R.S. § 41-1545.02(A)(2) through the following two (2) programs supporting rural businesses, small business and business development that enhance economic development:

1. Program: Rural Economic Development Grant (“REDG”)

Objective: The REDG is a competitive grant program designed to help rural Arizona communities develop infrastructure that strengthens their capacity and competitiveness for economic growth, and thereby ultimately improves economic conditions and enhances the quality of life in rural Arizona. To that end, the REDG provides grants to partially fund qualifying rural infrastructure projects that will generate private sector job creation (or retention) and capital investment, particularly in base industries.

Awards: REDG awards made in Q3 FY2015 aggregated \$714,119.

Grantees: REDG awards were made in Q3 FY2015 to the following three (3) entities:

1. Town of Sahuarita
2. City of Williams
3. City of Winslow

2. Program: AIC

Awards: AIC awards made in Q3 FY2015 aggregated \$1,500,000.

Grantees: AIC awards were made in Q3 FY2015 to the following six (6) entities:

1. Iris PR Management, Inc.
2. Iron Horse Diagnostics, Inc.
3. NuvOx Pharma, LLC
4. ParkX, LLC
5. Pure Chat, Inc.
6. Spotlight Software, LLC

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C. Grants Awarded in Q2 FY2015

During Q2 FY2015, the Authority awarded grants in accordance with A.R.S. § 41-1545.02(A)(2) through the following single program supporting rural businesses:

1. Program: REDG

Awards: REDG awards made in Q2 FY2015 aggregated \$966,000.

Grantees: REDG awards were made in Q2 FY2015 to the following four (4) entities:

1. Town of Chino Valley
2. City of Kingman
3. City of Maricopa
4. Town of Wickenburg

D. Grants Awarded in Q1 FY2015

During Q1 FY2015, 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 13 grants under A.R.S. § 41-1545.02(A)(1) in the cumulative amount of \$18,500,000 and funded two (2) programs under A.R.S. § 41-1545.02(A)(2) in the cumulative amount of \$16,759,325, resulting in ACF commitments to date totaling \$35,259,325.

V. Reporting Schedule – FY2015

Report Name	Reporting Period	Date Published
First Quarter ("Q1")	7/1/14 through 9/30/14	10/15/14
Second Quarter ("Q2")	10/1/14 through 12/31/14	1/15/15
Third Quarter ("Q3")	1/1/15 through 3/31/15	4/15/15
Fourth Quarter ("Q4")	4/1/15 through 6/30/15	7/15/15
Comprehensive Annual Report	7/1/14 through 6/30/15	11/2/15