



# Arizona Competes Fund

Quarterly Report

October 1, 2019 through December 31, 2019

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January 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 second quarter (October 1, 2019 through December 31, 2019 (“Q2”)) 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 Q2 of FY2020, the Authority awarded the one (1) grant described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$1,000,000.

<b>Grantee</b>	<b>Allstate Insurance Company</b>
Award Amount	\$1,000,000
New Jobs Commitment	2,350 <sup>1</sup>
Average Wage Commitment	\$44,889
Health Insurance Commitment	65%
Capital Investment Commitment	\$26,276,060

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<sup>1</sup> The grant requires the grantee to retain 791 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$65,139.

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### **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 Q2 of FY 2020, the Authority awarded two (2) 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 Q2 FY2020 aggregated to \$300,000.
	<b>Grantees:</b>	AIC awards were made in Q2 FY2020 to the following two (2) entities in the amount of \$150,000 each: 1. Remitter USA 2. SafKan, Inc.

### **IV. Fund Status**

Since inception of the ACF, the ACA has awarded 153 grants through three programs resulting in gross ACF commitments to date totaling \$92,104,748. Under A.R.S. § 41-1545.02(A)(1), 41 grants have been awarded in the cumulative amount of \$66,050,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 112 grants have been awarded in the cumulative amount of \$26,054,748.

In respect to the 41 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 \$84,269,729 (\$92,104,748 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

