



# Arizona Competes Fund

Quarterly Report

January 1, 2021 through March 31, 2021

100 North 7th Avenue, Suite 400  
Phoenix, Arizona 85007  
602.845.1200 • 800.542.5684  
[azcommerce.com](http://azcommerce.com)



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April 15, 2021

## ***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, 2021 through March 31, 2021 (“Q3”)) of fiscal year 2021 (July 1, 2020 through June 30, 2021) (“FY2021”).

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

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During Q3 of FY2021, the Authority awarded two (2) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$625,000.

<b>Grantee</b>	<b>DOT Foods, Inc.</b>
Award Amount	\$125,000
New Jobs Commitment	60 <sup>1</sup>
Average Wage Commitment	\$50,000
Health Insurance Commitment	65%
Capital Investment Commitment	\$10,900,000

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<sup>1</sup> The grant requires the grantee to retain 197 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$52,737.

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<b>Grantee</b>	<b>Align Technology, Inc.</b>
Award Amount	\$500,000
New Jobs Commitment	150 <sup>2</sup>
Average Wage Commitment	\$111,446
Health Insurance Commitment	65%
Capital Investment Commitment	\$4,100,000

**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 2021, the Authority awarded five (5) grants in accordance with A.R.S. § 41-1545.02(A)(2) through the following programs and projects that support microenterprises, rural businesses, 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 Q3 FY2021 aggregated to \$750,000.
Grantees:	AIC awards were made in Q3 FY2021 to the following entities in the amount of \$150,000 each: <ol style="list-style-type: none"><li>1. Custom Club, Inc. dba Retainer Club</li><li>2. Delta Thermal, Inc.</li><li>3. EnPower, Inc.</li><li>4. EscrowTab, Inc.</li><li>5. Sentinel Monitoring Systems, Inc</li></ol>

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<sup>2</sup> The grant requires the grantee to retain 18 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$183,000.



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## IV. Fund Status<sup>3</sup>

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Since inception of the ACF, the ACA has awarded 175 grants through various programs and projects resulting in gross ACF commitments to date totaling \$98,199,528. Under A.R.S. § 41-1545.02(A)(1), 46 grants have been awarded in the cumulative amount of \$69,425,000. Through the other programs and the project under A.R.S. § 41-1545.02(A)(2), 129 grants have been awarded in the cumulative amount of \$28,774,528.

In respect to the 46 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 programs and project 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 ten grants expired with aggregate remaining payment commitments of \$334,576.

Taking into consideration the adjustments described in the two preceding paragraphs, the net ACF commitments as of the date hereof total \$90,324,782 (\$98,199,528 in the original gross commitments minus aggregate adjustments of \$7,874,746).

## V. Reporting Schedule – FY2021

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Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/20 through 9/30/20	10/15/20
Second Quarter (“Q2”)	10/1/20 through 12/31/20	1/15/21
Third Quarter (“Q3”)	1/1/21 through 3/31/21	4/15/21
Fourth Quarter (“Q4”)	4/1/21 through 6/30/21	7/15/21
Comprehensive Annual Report	7/1/20 through 6/30/21	10/30/21

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<sup>3</sup> Totals in this section include grants funded by the ACA from FY12 to the present solely pursuant to A.R.S. § 41-1545.02.