



# Arizona Competes Fund

Quarterly Report

April 1, 2020 through June 30, 2020

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



# ARIZONA COMPETES FUND

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July 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 fourth quarter (April 1, 2020 through June 30, 2020 (“Q4”)) 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 Q4 of FY2020, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(1).

## ***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 Q4 of FY 2020, 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>1.</b>	<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 Q4 FY2020 aggregated to \$450,000.
	<b>Grantees:</b>	AIC awards were made in Q4 FY2020 to the following entities in the amount of \$150,000 each: 1. Botco.ai Inc. 2. Insurmi, Inc. 3. The Surf Network, Inc.

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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 Q4 FY2020 to the following entity covering nine (9) rural Small Business Development Centers:  1. Maricopa County Community College - \$75,750
3.	<b>Project:</b>	Arizona COVID-19 Assistance Grant (AZCAG)
	<b>Objective:</b>	.The AZCAG will provide funds to a community engagement organization, Local First Arizona Foundation, to support resources committed from other sources to meet emergency needs that will mitigate the worst consequences of some of the most vulnerable home-based, family-owned microenterprises in the State.
	<b>Grantee:</b>	One (1) Micro/Small Business award was made in Q4 FY2020 to the following entity to support micro grants to small/rural businesses in response to the COVID-19 impacts:  1. Local First Arizona Foundation - \$150,000

## IV. Fund Status

Since inception of the ACF, the ACA has awarded 167 grants through various programs and projects resulting in gross ACF commitments to date totaling \$96,580,984. Under A.R.S. § 41-1545.02(A)(1), 44 grants have been awarded in the cumulative amount of \$68,800,000. Through the other programs and the project under A.R.S. § 41-1545.02(A)(2), 125 grants have been awarded in the cumulative amount of \$27,254,748.

In respect to the 44 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

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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 \$383,473.

Taking into consideration the adjustments described in the two preceding paragraphs, the net ACF commitments as of the date hereof total \$88,657,226 (\$96,580,684 in the original gross commitments minus aggregate adjustments of \$7,923,458).

## 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	11/1/21