



Arizona Competes Fund

Quarterly Report

April 1, 2021 through June 30, 2021

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July 15, 2021

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 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, 2021 through June 30, 2021 (“Q4”)) 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)

During Q4 of FY2021, the Authority awarded one (1) grant described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$375,000.

Grantee	Viavi Solutions, Inc.
Award Amount	\$375,000
New Jobs Commitment	233 ¹
Average Wage Commitment	\$139,820
Health Insurance Commitment	65%
Capital Investment Commitment	\$96,311,609

¹ The grant requires the grantee to retain 8 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$447,971.

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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 Q4 of FY 2021, the Authority awarded three (3) 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:

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 FY2021 aggregated to \$450,000.
Grantees:	AIC awards were made in Q4 FY2021 to the following entities in the amount of \$150,000 each: <ol style="list-style-type: none">1. Journeyage, LLC2. Schola, Inc.3. Sylvan Source, Inc.



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IV. Fund Status²

Since inception of the ACF, the ACA has awarded 179 grants through various programs and projects resulting in gross ACF commitments to date totaling \$99,024,528. Under A.R.S. § 41-1545.02(A)(1), 47 grants have been awarded in the cumulative amount of \$69,800,000. Through the other programs and the project under A.R.S. § 41-1545.02(A)(2), 132 grants have been awarded in the cumulative amount of \$29,224,528.

In respect to the 47 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 twelve grants expired with aggregate remaining payment commitments of \$407,457.

Taking into consideration the adjustments described in the two preceding paragraphs, the net ACF commitments as of the date hereof total \$91,076,900 (\$99,024,528 in the original gross commitments minus aggregate adjustments of \$7,947,628).

V. Reporting Schedule – FY2022

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/21 through 9/30/21	10/15/21
Second Quarter (“Q2”)	10/1/21 through 12/31/21	1/14/22
Third Quarter (“Q3”)	1/1/22 through 3/31/22	4/15/22
Fourth Quarter (“Q4”)	4/1/22 through 6/30/22	7/15/22
Comprehensive Annual Report	7/1/21 through 6/30/22	11/1/22

² Totals in this section include grants funded by the ACA from FY12 to the present solely pursuant to A.R.S. § 41-1545.02.