



Arizona Competes Fund

Quarterly Report

July 1, 2021 through September 30, 2021

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October 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 first quarter (July 1, 2021 through September 30, 2021 (“Q1”)) of fiscal year 2022 (July 1, 2021 through June 30, 2022) (“FY2022”).

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

During Q1 of FY2022, the Authority awarded two (2) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$1,600,000.

Grantee	Commerce Metals Company
Award Amount	\$1,000,000
New Jobs Commitment	186 ¹
Average Wage Commitment	\$70,000
Health Insurance Commitment	65%
Capital Investment Commitment	\$435,400,000

¹ The grant requires the grantee to retain 307 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$58,868.

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Grantee	Rauch North America, Inc.
Award Amount	\$600,000
New Jobs Commitment	209
Average Wage Commitment	\$55,902
Health Insurance Commitment	65%
Capital Investment Commitment	\$280,000,000

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)

During Q1 of FY2022, the Authority awarded two (2) 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 Q1 FY2022 aggregated to \$150,000.
Grantees:	AIC award was made in Q1 FY2022 to the following entity in the amount of \$150,000: 1. Neolight, LLC



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Program:	Arizona Small Business Development Center Grant (AZSBDCG)
Objective:	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 for small businesses and in rural Arizona particularly. This program extends ACA's reach throughout Arizona with a constant presence via the SBDC staff promoting state programs and resources to small businesses.
Grantees:	One (1) AZSBDCG award was made in Q1 FY2022 to the following entity covering ten (10) Small Business Development Centers: 1. Maricopa County Community College - \$335,000

IV. Fund Status²

Since inception of the ACF, the ACA has awarded 183 grants through various programs and projects resulting in gross ACF commitments to date totaling \$101,109,528. Under A.R.S. § 41-1545.02(A)(1), 49 grants have been awarded in the cumulative amount of \$71,400,000. Through the other programs and the project under A.R.S. § 41-1545.02(A)(2), 134 grants have been awarded in the cumulative amount of \$29,709,528.

In respect to the 49 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 \$407,458.

Taking into consideration the adjustments described in the two preceding paragraphs, the net ACF commitments as of the date hereof total \$93,161,900 (\$101,109,528 in the original gross commitments minus aggregate adjustments of \$7,947,628).

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.

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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

