INNOVATION
Advancing forward-thinking small businesses and manufacturers

COLLABORATION
Working in conjunction with private finance partners

ACCELERATION
Driving business expansion and job creation in Arizona

SUMMARY AND QUALIFICATIONS

WHAT IS THE PROGRAM?
The Arizona Innovation Accelerator Fund (AIAF) is an $18.2 million loan participation program funded through the U.S. Department of Treasury’s State Small Business Credit Initiative (SSBCI) and managed by the Arizona Commerce Authority (ACA). The goal of the program is to stimulate financing of small businesses, while fostering business expansion and job creation in the state of Arizona.

Working in collaboration with lending institutions and private finance partners (the Lead Lender), the AIAF provides debt financing to rapidly expanding Arizona businesses that need resources in order to capitalize on market opportunities. These resources are intended for business purposes, such as working capital, inventory and equipment purchases, workforce expansions, acquisitions, and real property improvements of an eligible place of business. The loans may not be used to make payments on outstanding debt. However under certain circumstances, the program may be used to refinance existing debt.

AIAF loans by the numbers
• Range from $50,000 to $2 million
• May be used to support finance packages of up to $20 million total
• Typically have maturities of 5 years or less
• Can fund up to 49.9% of a financing package that includes both public and private capital

WHO CAN PARTICIPATE?
Businesses eligible for the Arizona Innovation Accelerator Fund include for-profit corporations, limited liability companies, partnerships or other business entities with 500 or fewer employees.

These businesses are most likely commercializing their technology or product(s), generating revenue, and will be able to demonstrate the potential to create or retain employment opportunities for Arizonans as a result of the AIAF loan. The borrower must also maintain a significant portion of its operations, or have the intent to establish new operations, in the state.

Questions? Please send inquiries to AIAF@azcommerce.com.

$18.2 million in available funds to stimulate financing to AZ Small Businesses

• Businesses principally engaged in industries targeted by the ACA – such as tech & innovation, advanced manufacturing, bioscience & health care, optics/photonics, renewable energy, aerospace & defense, and advanced business services – will have priority application status.
• Financings that contain a higher percentage of private capital relative to AIAF participation will also be given priority.
**CASE STUDY/TESTIMONIAL: TRAKLIGHT**

**The Company:** Traklight provides online services and tools that help entrepreneurs, inventors, and small businesses understand, identify, and protect their Intellectual Property (IP).

**The Problem:** Like many young companies at an early growth stage, Traklight faced a serious challenge – it needed funding in order to grow and sought a solution that would accomplish this without giving up equity in the company.

**The Solution:** The AIAF program participated in a $250,000 line of credit for Traklight, which the company used to launch a new version of its software. The loan was secured by various forms of collateral, and included a blend of $200,000 from the Lead Lender and $50,000 from AIAF.

“...the AIAF program has been critical to our recent ability to re-launch a new version of our software. The program is very attractive to us because we were able to leverage our existing contracts with local clients such as Infusionsoft, and leverage our own personal assets in order to secure debt financing, rather than giving up equity. This program is easy to use and is very helpful to a business in its early stage.”

**Mary Juetten** | CEO, Traklight

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**KEY DETAILS.**

• The program may provide reduced interest terms on its loan participations.

• The program may provide deferred principal and interest (P&I) repayment on its loan participations for up to 24 months.

• After any deferred P&I grace period, the interest rate on the AIAF’s loan participation shall be 1-3% above the interest rate of the Lead Lender.

• The program charges a fee at closing, typically 1-3% of the AIAF participation amount.

• The program may charge an annual fee, typically 1-3% of the AIAF principal balance.

• Loans will typically be collateralized.

• The loans may be subordinated to existing or new debt and should aid borrowers in raising debt capital from private sources for the majority (>50%) of their loan.

• Program may offer an annual job creation interest rate reduction (.05% interest rate reduction for each qualified job created in Arizona up to a maximum of 2.50%).

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**MAY BE USED TO SUPPORT FINANCE PACKAGES OF UP TO**

$20 Million

**AIAF LOAN ANTICIPATION AMOUNTS**

$50K to $2 Million

Loans can fund up to 49.9% of a financing package that includes both public and private capital.

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**FIND OUT WHY ARIZONA IS THE PERFECT ENVIRONMENT FOR CORPORATE SUCCESS.**

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