

ARIZONA COMPETES FUND

Released July 18, 2013

Pursuant to A.R.S. §41-1545 *et seq.*, the Arizona Commerce Authority (ACA) administers the Arizona Competes Fund. Under A.R.S. §41-1545.02, grants from the Arizona Competes Fund may be used for (i) attracting, expanding or retaining Arizona businesses; and (ii) supporting and advancing programs and projects for rural businesses, small businesses and business development that enhance economic development. The ACA's fiscal year 2013 is July 1, 2012 through June 30, 2013.

Quarterly Report – Fiscal Year 2013

Below is a summary of quarterly activity under the Arizona Competes Fund during fiscal year 2013.

4th Quarter (4/1/13 through 6/30/13)

Attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1):

No Awards.

Supporting and advancing programs and projects for rural businesses and small businesses (A.R.S. § 41-1545.02(A)(2):

- 1. Name:** **Rural Economic Development Grant Program**
- Objective:** The REDG is intended to help rural communities initiate and sustain economic development projects that focus on job growth and capital investment in base industries. The competitive grant is intended to promote local self sufficiency by providing direct assistance to rural communities for Projects that (i) attract new business development from other states and/or (ii) retain and expand existing businesses, both for the purpose of job creation.
- Awarded:** \$1,471,000
- Grantees:** Seven awards were made to the following entities:
- 1) Central Arizona Regional Economic Development Foundation (CAREDF)
 - 2) City of Casa Grande
 - 3) City of Flagstaff
 - 4) City of Prescott
 - 5) Greater Yuma Economic Development Council (GYEDC)
 - 6) Town of Pinetop Lakeside
 - 7) Verde Valley Wine Consortium

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Additionally, the following FY2012 REDG grants were funded from the Arizona Competes Fund for the first time in the Fourth Quarter of FY2013:

Awarded: \$497,675¹
Grantees: Four awards were made the following entities:
1) City of Flagstaff
2) City of Yuma
3) Northern Arizona Business and Technology Incubator (NACET)
4) Verde Valley Wine Consortium

2. Name: **Arizona Innovation Challenge Program**
Objective: The Innovation Challenge is a competitive business plan competition that awards qualified, innovative start-up and early stage companies capital to grow their business in Arizona.

Awarded: \$2,982,000
Grantees: Twelve awards were made to the following entities:
1) appsFreedom
2) Athena Wireless
3) Gingerbread Shed
4) Instant Bio Scan
5) Nasseo, Inc.
6) Post.Bid.Ship
7) ReplyBuy
8) Serious Integrated
9) Stat Health Services
10) Stimwave Technologies
11) Strongwatch
12) Viomics

Additionally, the following FY2012 AIC grants were funded from the Arizona Competes Fund for the first time in the Fourth Quarter of FY2013:

Awarded: \$1,399,375²
Grantees: Six awards were made the following entities:
1) Agave Semiconductor
2) Cancer Prevention Pharmaceuticals Inc
3) HJ3 Composite Technologies LLC

¹ \$497,676 represents the portion of the awards that will be funded from the Arizona Competes Fund, provided the grantees achieve all grant milestones and the awards are paid out in full. The total amount of these awards in the aggregate is \$744,000, with the balance having been paid from a separate fund.

² These awards will be funded entirely from the Arizona Competes Fund.

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- 4) Kutta Radios Inc
- 5) MaxQ Technology LLC
- 6) WholeSale Fund Corporation

3rd Quarter (1/1/13 through 3/31/13)

Attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1):

1. Grantee:	The Go Daddy Group, Inc.
Awarded:	\$1,500,000
New Jobs:	300 (NAICS 518)
Average Wage:	\$58,000
Health Insurance:	65% paid by company
Capital Investment:	\$27,000,000

Supporting and advancing programs and projects for rural businesses and small businesses (A.R.S. § 41-1545.02(A)(2):

No awards.

2nd Quarter (10/1/12 through 12/31/12)

Attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1):

No Awards.

Supporting and advancing programs and projects for rural businesses and small businesses (A.R.S. § 41-1545.02(A)(2):

No awards.

1st Quarter (7/1/12 through 9/30/12)

Attracting, expanding or retaining Arizona basic enterprises (A.R.S. § 41-1545.02(A)(1):

1. Grantee:	Maverick HealthCare Group, LLC
Awarded:	\$1,000,000
New Jobs:	376 (NAICS 532291)
Average Wage:	\$65,000 ³
Health Insurance:	65% paid by company
Capital Investment:	\$15,000,000
2. Grantee:	Acceler8 Technologies Corporation
Awarded:	\$1,000,000
New Jobs:	65 (NAICS 334516)

³ This wage is a blend of the wages of the jobs required to be created and retained under the grant agreement.
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Average Wage:	\$63,000
Health Insurance:	65% paid by company
Capital Investment:	\$4,520,000

Supporting and advancing programs and projects for rural businesses and small businesses (A.R.S. § 41-1545.02(A)(2):

No awards.

Note: Actual job creation and capital investment numbers will not be available until Grantees submits its first annual progress report.

Fund Status

During fiscal year 2013, the ACA awarded grants from the Arizona Competes Fund in the cumulative amount of \$9,850,050. Since inception of the Arizona Competes Fund in July 2011, the ACA has awarded grants in the cumulative amount of \$15,050,050.

Future Reporting Dates

Comprehensive Annual Report	(7/1/12 through 6/30/13)	Due: November 1, 2013
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