

ARIZONA COMPETES FUND

Quarterly Report

January 17, 2017



ARIZONA
COMMERCE
AUTHORITY

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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 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 second quarter (October 1, 2016 through December 31, 2016) (“Q2”) of fiscal year 2017 (July 1, 2016 through June 30, 2017) (“FY2017”).

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

During Q2 of FY2017, the Authority awarded the single grant described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$1,000,000. Preliminary activity relating to other grants should culminate in several additional grants reported in Q3 of FY 2017.

Grantee	World View Enterprises, Inc.
Award Amount	\$1,000,000
New Jobs Commitment	298 ¹
Average Wage Commitment	\$56,540
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$25,200,000

III. Grants supporting and advancing programs and projects for rural businesses, small businesses and business development that enhance economic development – A.R.S. § 41-1545.02(A)(2)

A. During Q2 of FY2017, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(2).

¹ In order to receive full payment of the grant, the Grantee is further required to retain 28 existing jobs paying an average wage of at least \$83,125.

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IV. Fund Status

Since inception of the ACF, the ACA has awarded 100 grants through three programs resulting in *gross* ACF commitments to date totaling \$43,850,295. Under A.R.S. § 41-1545.02(A)(1), 21 grants have been awarded in the cumulative amount of \$24,100,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 79 grants have been awarded in the cumulative amount of \$19,750,295.

In respect to the 21 grants originally awarded pursuant to A.R.S. § 41-1545.02(A)(1); (i) three grants in an aggregate amount of \$2,950,000 were relinquished by grantees without any payments to the respective grantees, and (ii) the performance periods of two other grants expired with aggregate remaining payment commitments of \$667,670, one of which resulted in a repayment by the grantee to the ACA of \$91,090.

In respect to the funding of the two programs 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 five grants expired with aggregate remaining payment commitments of \$246,887.

Taking into consideration the adjustments described in the two preceding paragraphs, the *net* ACF commitments as of the date hereof total \$39,735,738 (\$43,850,295 in the original gross commitments minus aggregate adjustments of \$4,114,557).

V. Reporting Schedule – FY2017

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/16 through 9/30/16	10/18/16
Second Quarter (“Q2”)	10/1/16 through 12/31/16	1/17/17
Third Quarter (“Q3”)	1/1/17 through 3/31/17	4/17/17
Fourth Quarter (“Q4”)	4/1/17 through 6/30/17	7/17/17
Comprehensive Annual Report	7/1/16 through 6/30/17	11/1/17