



Arizona Competes Fund

Quarterly Report

January 1, 2019 through March 31, 2019



ARIZONA COMPETES FUND

Quarterly Report

April 15, 2019

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 third quarter (January 1, 2019 through March 31, 2019 (“Q3”) of fiscal year 2019 (July 1, 2018 through June 30, 2019) (“FY2019”).

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

During Q3 of FY2019, the Authority awarded the one (1) grant described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$2,500,000.

Grantee	Deloitte Consulting, LLP
Award Amount	\$2,500,000
New Jobs Commitment	1,000 ¹
Average Wage Commitment	\$95,201
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$30,000,000

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 Q3 of FY 2018, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(2).

¹ The grant requires the grantee to retain 78 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$100,000.



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IV. Fund Status

Since inception of the ACF, the ACA has awarded 136 grants through three programs resulting in *gross* ACF commitments to date totaling \$76,701,748 Under A.R.S. § 41-1545.02(A)(1), 34 grants have been awarded in the cumulative amount of \$52,300,000. Through the two programs under A.R.S. § 41-1545.02(A)(2), 102 grants have been awarded in the cumulative amount of \$24,401,748.

In respect to the 34 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 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 seven grants expired with aggregate remaining payment commitments of \$294,848.

Taking into consideration the adjustments described in the two preceding paragraphs, the *net* ACF commitments as of the date hereof total \$69,039,229 (\$76,701,748 in the original gross commitments minus aggregate adjustments of \$7,662,519).

V. Reporting Schedule –

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/18 through 9/30/18	10/15/18
Second Quarter (“Q2”)	10/1/18 through 12/31/18	1/15/19
Third Quarter (“Q3”)	1/1/19 through 3/31/19	4/15/19
Fourth Quarter (“Q4”)	4/1/19 through 6/30/19	7/15/19
Comprehensive Annual Report	7/1/19 through 6/30/19	11/1/19

