



Arizona Competes Fund

Quarterly Report

April 1, 2019 through June 30, 2019

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July 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 fourth quarter (April 1, 2019 through June 30, 2019 (“Q4”) 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 Q4 of FY2019, the Authority awarded the three (3) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$8,250,000.

Grantee	Boeing Company
Award Amount	\$750,000
New Jobs Commitment	914 ¹
Average Wage Commitment	\$87,985
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$10,000,000

Grantee	Atieva USA, Inc. dba Lucid Motors USA, Inc.
Award Amount	\$5,000,000
New Jobs Commitment	2,185
Average Wage Commitment	\$42,266
Health Insurance Commitment	65%
Capital Investment Commitment	\$675,000,000

¹ The grant requires the grantee to retain 3,426 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$93,475.

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Grantee	Nationwide Mutual Insurance Company
Award Amount	\$2,500,000
New Jobs Commitment	514 ²
Average Wage Commitment	\$58,439
Health Insurance Commitment	65%
Capital Investment Commitment	\$139,000,000

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 Q4 of FY 2019, the Authority awarded no grants in accordance with A.R.S. § 41-1545.02(A)(2).

IV. Fund Status

Since inception of the ACF, the ACA has awarded 139 grants through three programs resulting in *gross* ACF commitments to date totaling \$84,951,748. Under A.R.S. § 41-1545.02(A)(1), 37 grants have been awarded in the cumulative amount of \$60,550,000. 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 37 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 \$77,289,229 (\$84,951,748 in the original gross commitments minus aggregate adjustments of \$7,662,519).

² The grant requires the grantee to retain 1,712 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$68,000.

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V. Reporting Schedule – FY2019

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

