



Arizona Competes Fund

Quarterly Report

July 1, 2017 through September 30, 2017



ARIZONA COMPETES FUND

Quarterly Report

October 16, 2017

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 first quarter (July 1, 2017 through September 30, 2017) (“Q1”) of fiscal year 2018 (July 1, 2017 through June 30, 2018) (“FY2018”).

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

During Q1 of FY2018, the Authority awarded the three (3) grants described below in accordance with A.R.S. § 41-1545.02(A)(1) representing a commitment of \$9,800,000.

Grantee	MUFG Union Bank, N.A.
Award Amount	\$5,000,000
New Jobs Commitment	1755
Average Wage Commitment	\$82,955
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$149,100,000



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Grantee	Bank of the West
Award Amount	\$3,000,000
New Jobs Commitment	1027
Average Wage Commitment	\$74,196
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$24,628,337

Grantee	Benchmark Electronics, Inc.
Award Amount	\$1,800,000
New Jobs Commitment	512 ¹
Average Wage Commitment	\$92,671
Health Insurance Commitment	At least 65% payable by Grantee
Capital Investment Commitment	\$35,100,000

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)

During Q1 of FY 2018, 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 116 grants through three programs resulting in *gross* ACF commitments to date totaling \$65,201,748. Under A.R.S. § 41-1545.02(A)(1), 30 grants have been awarded in the cumulative amount of \$43,800,000. Through the two

¹ The grant requires the grantee to retain 130 existing full-time jobs filled as of the effective date of the agreement paying an average annual wage of at least \$60,210.



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programs under A.R.S. § 41-1545.02(A)(2), 86 grants have been awarded in the cumulative amount of \$21,401,748.

In respect to the 30 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 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 \$61,039,229 (\$65,201,748 in the original gross commitments minus aggregate adjustments of \$4,162,519).

V. Reporting Schedule –

Report Name	Reporting Period	Date Published
First Quarter (“Q1”)	7/1/17 through 9/30/17	10/16/17
Second Quarter (“Q2”)	10/1/17 through 12/31/17	1/15/18
Third Quarter (“Q3”)	1/1/18 through 3/31/18	4/16/18
Fourth Quarter (“Q4”)	4/1/18 through 6/30/18	7/16/18
Comprehensive Annual Report	7/1/17 through 6/30/18	11/1/18

