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## **Arizona Commerce Authority's Innovation Challenge Receives Record Number of Applications**

*Evaluation process to award \$1.5 million is underway*

PHOENIX (February 7) - The [Arizona Commerce Authority](#) received more than 300 company applications for the second [Arizona Innovation Challenge](#) - nearly tripling the amount received last year. A panel of expert judges has begun evaluating each start-up, and expects to announce semi-finalists in early March.

The challenge -- which is the largest financial prize of its kind in the country -- advances innovation and technology commercialization opportunities in Arizona by supporting early stage ventures in Arizona's targeted industries of renewable energy and sustainability, bio and life sciences, electronics, information technologies, aerospace and defense and advanced manufacturing.

"The ACA is not surprised we received so many applications this year," said Don Cardon, president and CEO of the Arizona Commerce Authority. "Arizona is a breeding ground for start-ups. Ideas are percolating in garages and labs across our state. This program helps turn those ideas into reality. With the addition of Silicon Valley Bank to the state, Arizona is well on its way to becoming a hotbed for entrepreneurial activity."

The ACA doubled its commitment to the Arizona Innovation Challenge for 2012. Initially funded at \$1.5 million, the ACA will commit \$3 million to the program, creating two rounds of competition (\$1.5 million in award money for each challenge). This first round of competition hopes to select anywhere from six to fifteen companies to receive \$100,000 - \$250,000 each.

Start-ups receiving awards will be required to commercialize their technology solution and generate revenue within one year of the award. All companies will receive significant feedback generated from the evaluation process and a seasoned panel of evaluators, be invited to partner with commercialization resources across Arizona, and will be evaluated for eligibility in other ACA incentive programs like the Angel Investment Program.

The 2011 Arizona Innovation Challenge received more than 100 proposals, awarding eight companies grants ranging from \$100,000 to \$250,000.

Jim Butler, president and CEO of HJ3 Composite Technologies and a 2011 Arizona Innovation Challenge Winner said, "It was very fortuitous that the grant application came around. That allowed us to accelerate our plan to get the marketing set up, the sales, and all of our final kits and materials from what would have taken about eighteen months down to about six."

The ACA is strongly committed to investing in start-ups and fostering entrepreneurship in the state. Start-ups are the lifeblood of Arizona's economy and serve as a prime engine of economic growth. Arizona ranks fifth in the U.S for business start-ups and saw a 57 percent increase in entrepreneurial activity since 2008. Through a suite of programs, including the Arizona Innovation Challenge, the ACA is providing valuable tools to help small businesses and start-ups advance in our economy and ultimately ignite job creation in the state.

In addition to this challenge, the ACA secured \$18.2 million from the U.S. Department of Treasury's State Small Business Credit Initiative for the [Arizona Innovation Accelerator Fund](#). This money will help spur lending to Arizona's small businesses and foster business expansion, capital investment and job creation in Arizona. This five-year program will provide small businesses (less than 500 employees) anywhere from \$50,000 to \$2 million for working capital, inventory, equipment purchases, workforce expansion and property improvements. Additional information and application materials are now available [online](#).

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**About the Arizona Commerce Authority**

*The Arizona Commerce Authority is dedicated to welcoming domestic and international businesses to Arizona and encouraging the expansion of existing businesses in the State. The agency maintains foreign trade offices in Canada, Asia, Europe and Mexico. The ACA will focus exclusively on business attraction, retention and expansion of Arizona's strongest economic sectors including science/technology, aerospace/defense, renewable energies and small business/entrepreneurial expansion efforts. For more information contact: Arizona Commerce Authority at 602-845-1200 or [www.azcommerce.com](http://www.azcommerce.com).*