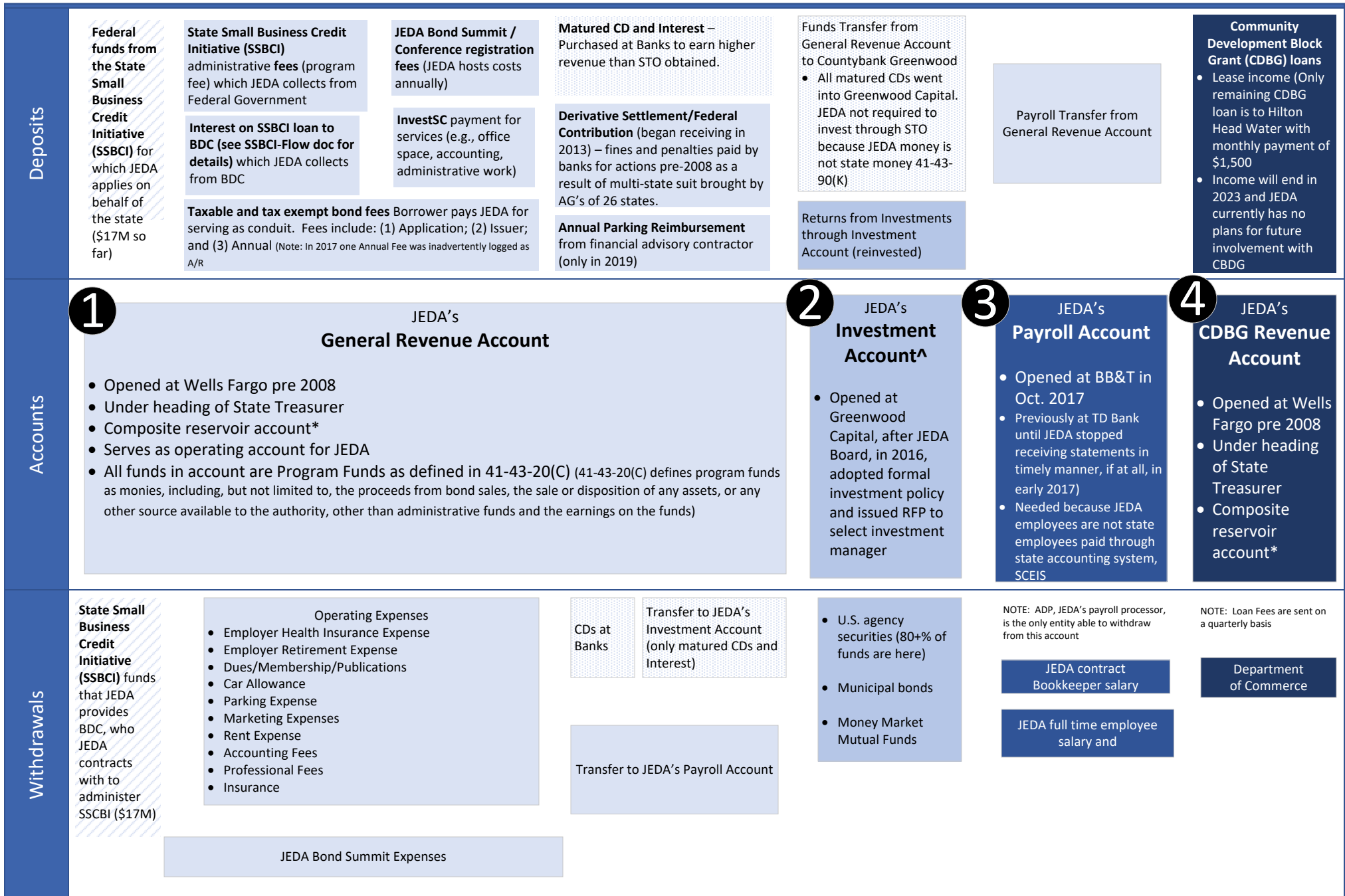


# JEDA's Four Accounts: Sources of Deposits and Withdrawals

(as of May 2022)



\*Proviso 117.80 requires agency's with this type of account to submit reports to State Fiscal Accountability Authority that disclose every transaction in the account in the prior fiscal year; reports are on Comptroller General website.

<sup>^</sup>External auditors annually review JEDA's Investment Account to ensure investments are in compliance with state statute

NOTE: CDBG revenue mistakenly deposited in JEDA General Revenue Account in 2018 that JEDA then withdrew and deposited in CDBG account (1.5.18)

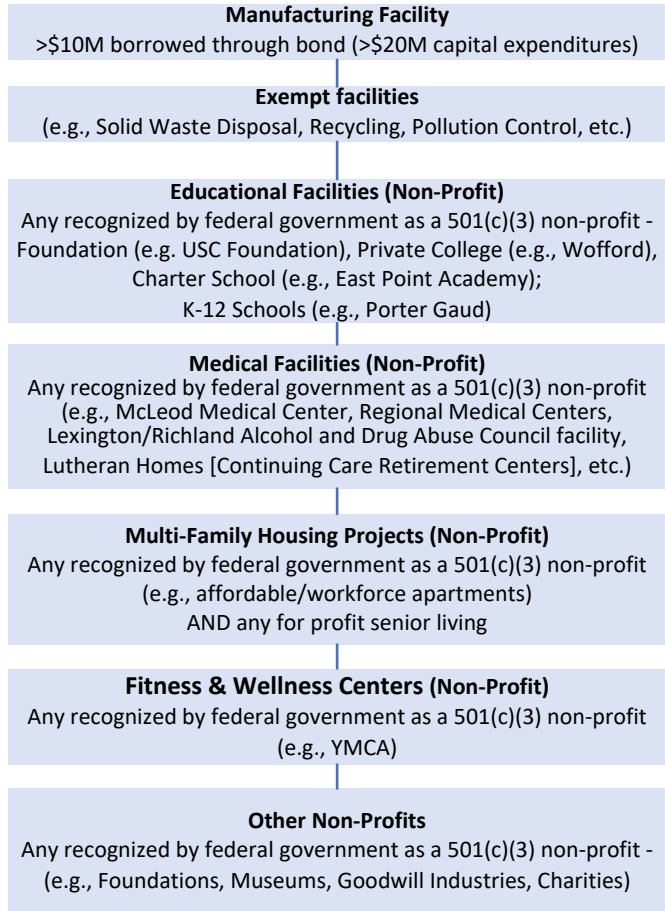
41-43-50: The net earnings of the authority, beyond that necessary for retirement of its bonds or other obligations or to implement the purposes of this act, shall not inure to the benefit of any person other than the authority.

**JEDA Bonds Issued (1985-2022)**

**Bonds: Who qualifies, Who issues, and What types are available**

\$ Value	Number
\$1.1B	204
\$533M	28
\$1.8B	101
\$9.2B	159
\$1.4M	96
\$360M – Other*	32 – Other

**Borrowers**  
Entities that qualify to borrow money through issuance of bonds



Multi-Family Housing Projects: Any for profit, if for low to moderate income (cannot do senior living)

**Manufacturing Facility:**  
Small, less than \$10M

**Medical Facilities:**  
Any Non-Profit (501(c)(3))  
OR Governmental (e.g., MUSC)

**Their own projects**  
(e.g., Spartanburg Medical Center)

**Manufacturing Facility:**  
Any size

**Distribution Center**

**Medical Facilities:**  
Any size or type  
(e.g., hospital, alcohol and drug rehab, assisted living and skilled nursing, etc.)

- Commercial Developments**
- Car Dealerships**
- Shopping Centers**
- Hotels**
- Office Buildings**

**Entities that can issue bonds**



**Tax-Exempt Private Activity Bond (PAB)**  
(e.g., Industrial Revenue or Development Bonds)

**Benefits:** Same as taxable regular bond, plus borrower saves 20-30% on total interest charges and uses process of entity issuing bond

**Tax-Exempt Governmental Bonds**

**Benefits:** Same as taxable regular bond, plus borrower saves 20-30% on total interest charges and uses process of entity issuing bond

**Taxable Regular Bond**

**Benefits:** Longer amount of time to pay off than bank financing; fix interest rate for longer term

\*Other includes SCE&G; Waste Management; McLean Power York; Recovery Zone Bond to Mast General Store; Abundant power via qualified energy conservation bonds to Randolph Trucking, Anderson County School District #3, and Sumter County; Burroughs & Chapin Multi County Business park; City of Rock Hill Sports Arena; RecoverSC bonds to City of Columbia and Bamberg County

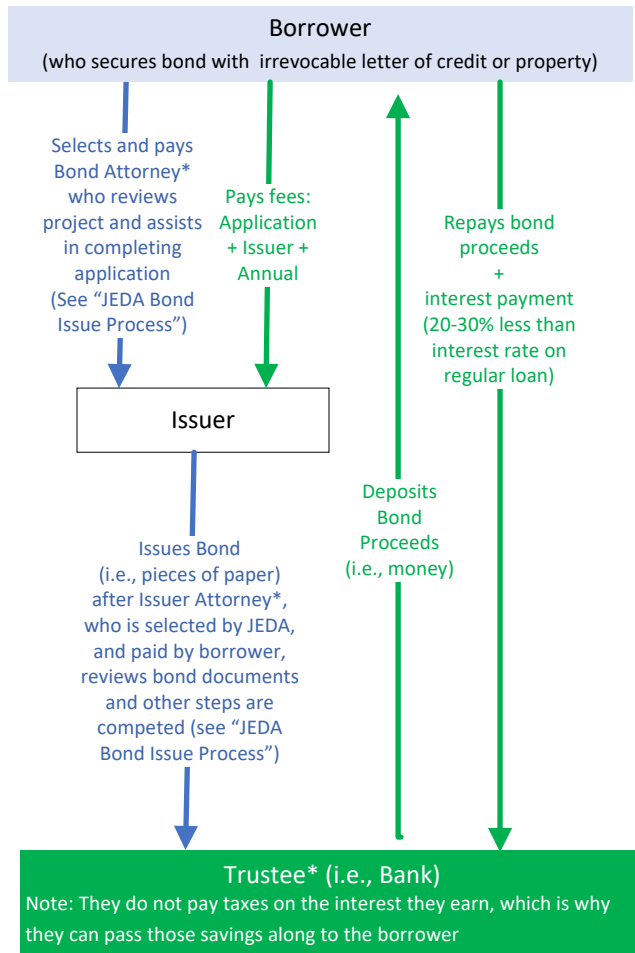
Note: Some bonds, like municipal bonds, are available in both taxable and tax-exempt versions.

# Overview of Obtaining Funds through Sale of Bonds

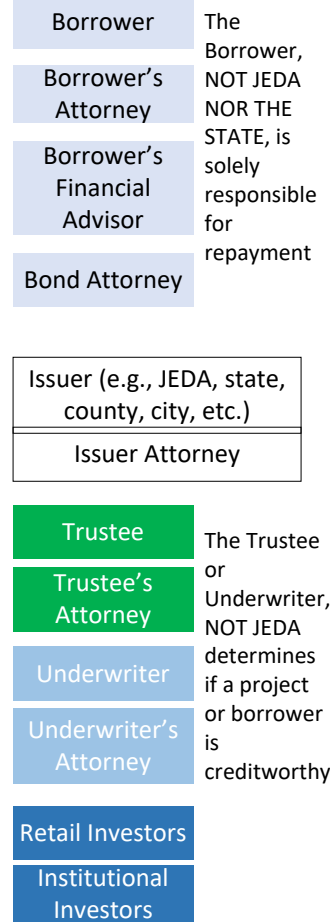
Borrower determines whether sale occurs in private placement or public market

## Bond Sale in Private Placement

\*Indicates individual/entity must be on list approved by the State Treasurer's Office

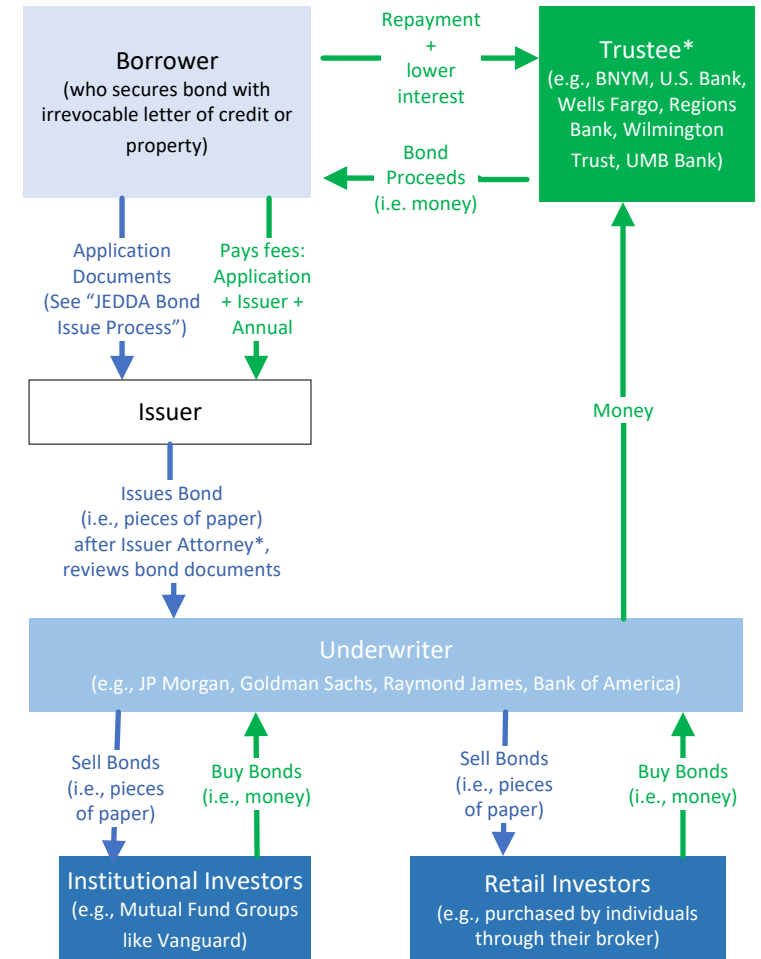


## Parties Involved



## Bond Sale in Public Market

\*Indicates individual/entity must be on list approved by the State Treasurer's Office



## JEDA Bond Issue Process

(If all steps proceed smoothly, the process can be completed in approx. 60-75 days)

### Step 1: Borrower must do the following:

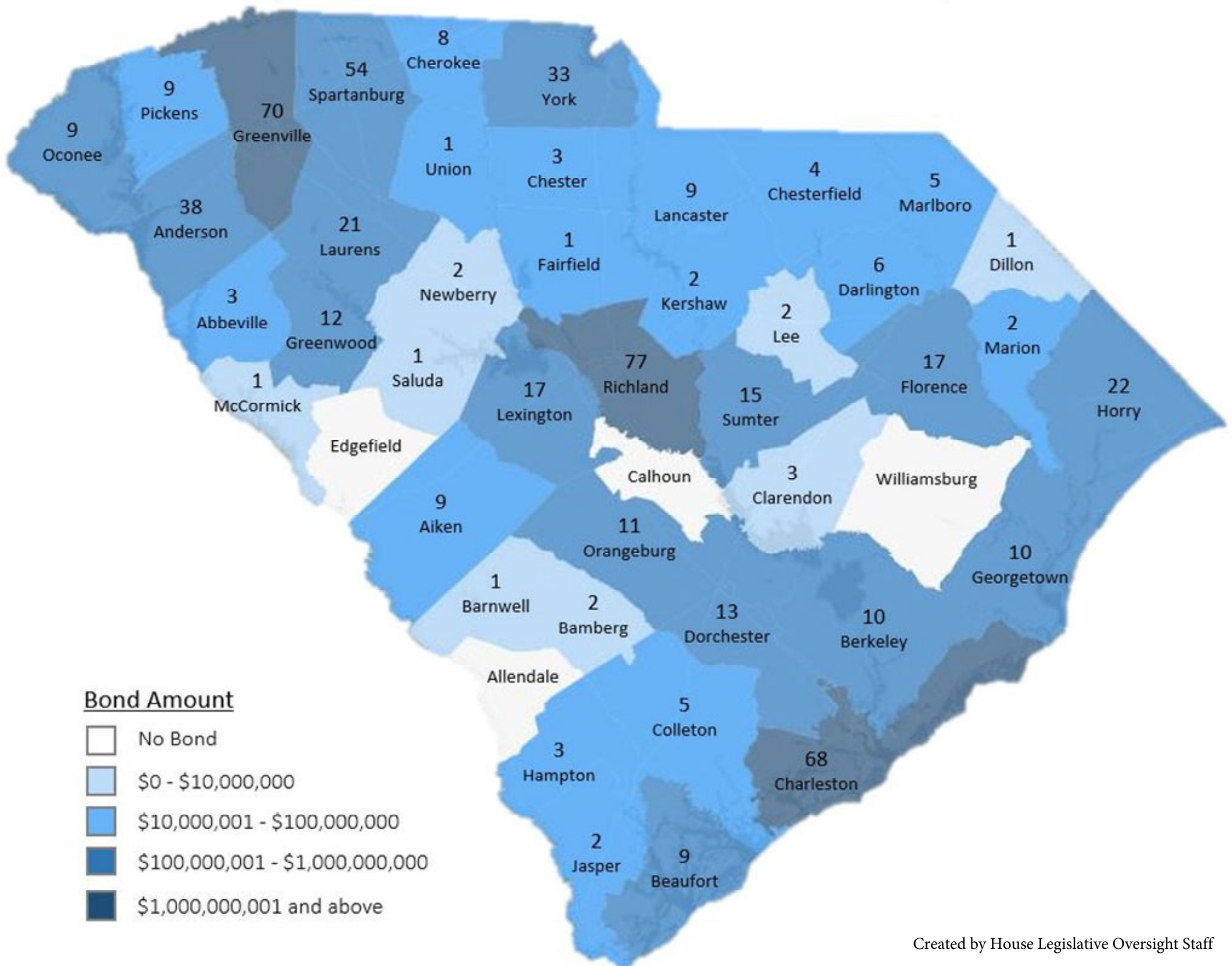
- contact an attorney from the list of bond law firms approved by Office of State Treasurer
- meet with Bond attorney to review the borrower's project to ensure it qualifies (at borrower's expense)
- with assistance of Bond attorney, complete/submit bond application with \$1,000 non-refundable application fee

### Step 2: Once JEDA ensures application is complete...






- Bond attorney prepares inducement documents as an agenda item for the next JEDA Board meeting.
  - Inducement resolution represents preliminary approval and is non-binding to all parties
  - Issuer attorney, who is selected by JEDA and paid by borrower, reviews documents
- JEDA posts notice required by federal regulations on JEDA's website and in a paper of general circulation where project is located.
  - Federal regulations require a public hearing prior to final approval; notice must be published at least 7 days prior to hearing.

- **Step 3 (or 1A):** Borrower and borrower's team (counsel, financial advisor, etc.) negotiate with financial institutions for sale of bonds via public sale or private placement (Note: It may have occurred prior to borrower submitting initial application)
- **Step 4:** JEDA project undergoes review by S.C. Coordinating Council for Economic Development (CCED) and hearing before SFAA for allocation of State Volume Cap
- **Step 5:** If CCED approves, JEDA Board adopts final bond resolution approving issuance of bonds and Trustee deposits bond proceeds at closing

# Number of Bonds Issued by County (as of 06-30-21)



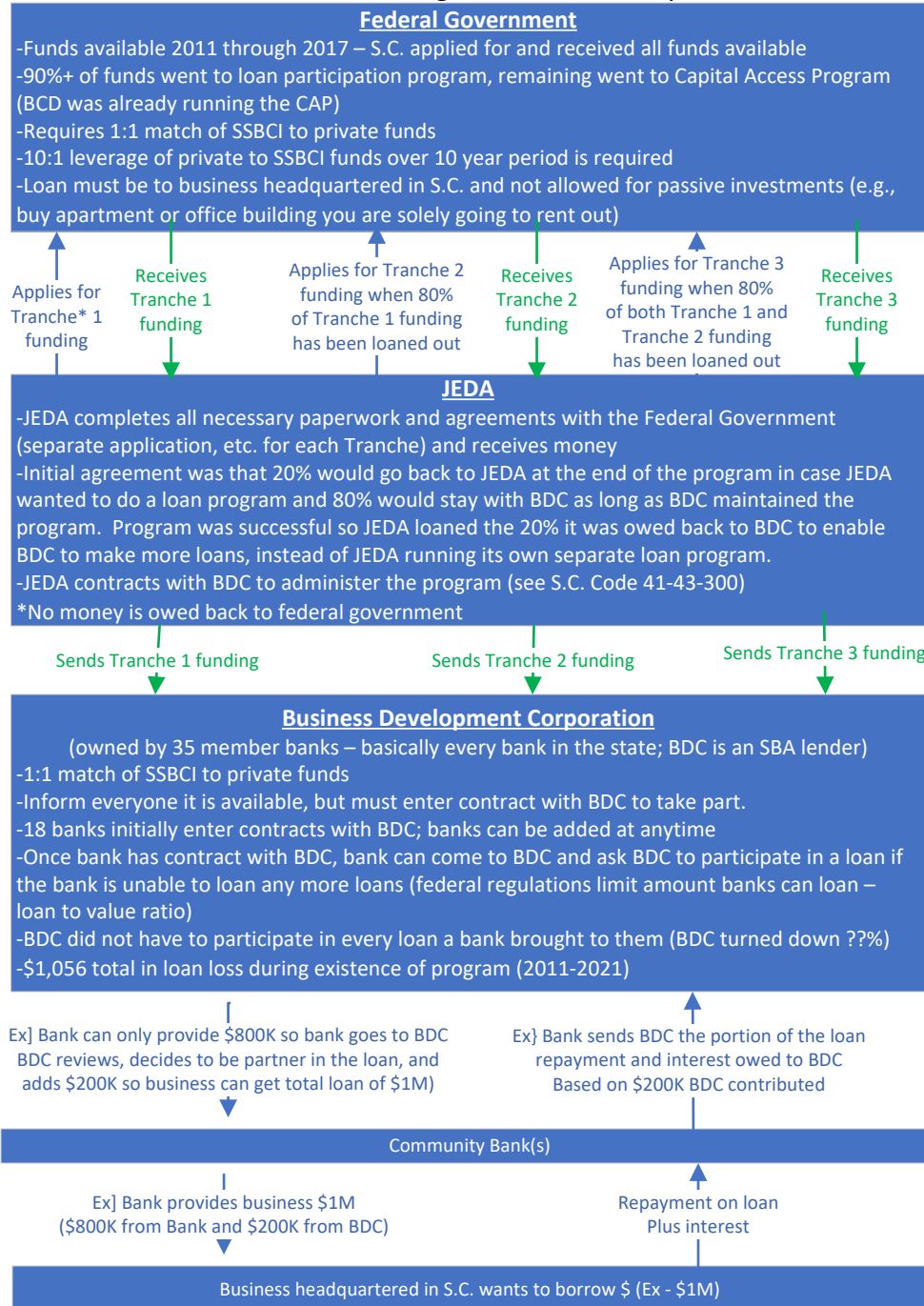
## Bond Amount

-  No Bond
-  \$0 - \$10,000,000
-  \$10,000,001 - \$100,000,000
-  \$100,000,001 - \$1,000,000,000
-  \$1,000,000,001 and above

# Federal Government's State Small Business Credit Initiative (SSBCI)

\*The original SSBCI provided funding, allocated through a statutorily created formula and distributed in one-third increments (called tranches).

## SSBCI 1.0 – S.C. using it for Loan Participation



## SSBCI 2.0 – S.C. using it for Loan Participation & Venture Capital

