



***HOUSE WAYS & MEANS  
ECONOMIC DEVELOPMENT  
BUDGET HEARING  
FY 24-25  
January 23, 2024***

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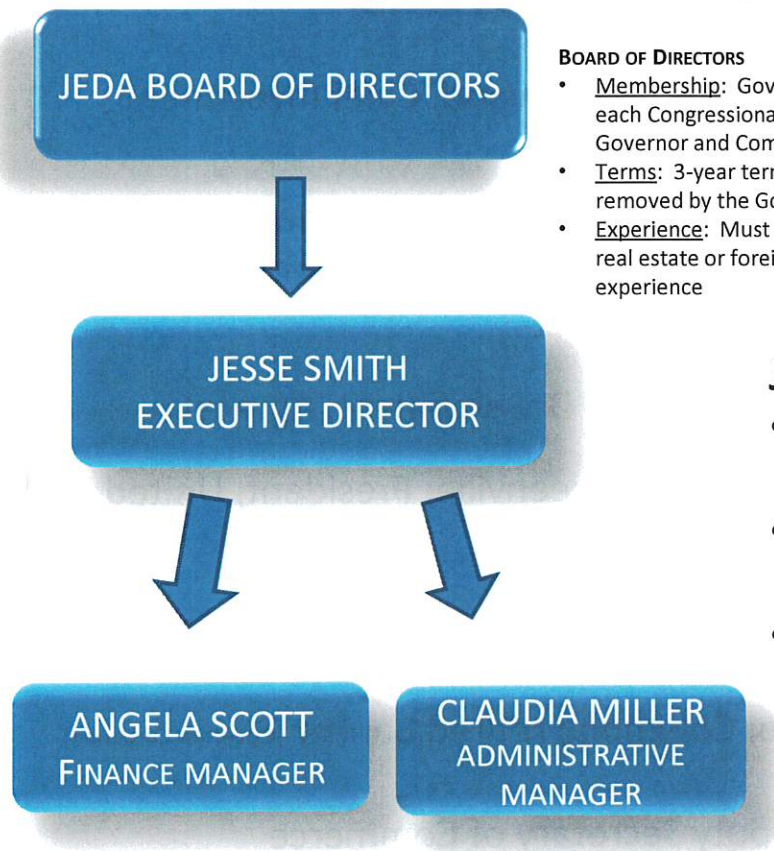
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SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

# ORGANIZATIONAL CHART



## BOARD OF DIRECTORS

- **Membership:** Governor appoints, with advice and consent of the Senate, one Director from each Congressional District and one from the State at large, who serve as Chairman. Governor and Commerce Secretary [or their designees] serve as ex-officio members
- **Terms:** 3-year terms until successor is appointed and confirmed or they resign; may be removed by the Governor for cause or at will.
- **Experience:** Must have experience in the fields of business, commerce, finance, banking, real estate or foreign trade. At least two Directors must have direct commercial lending experience

## JEDA PERSONNEL

- Executive Director appointed by Board of Directors
- Executive Director selects and controls all other personnel
- JEDA personnel are not state employees (41-43-90), but do
  - Participate in S.C. Retirement System;
  - Participate in State Health Insurance Group; and are
  - Protected by S.C. Tort Claims Act

## JEDA BOARD OF DIRECTORS

- **Chairman Michael Nix**- 11 years of service, Greenwood, Chief Investment Officer, Verity Investment Partners [At Large]
- **Henry B. Fishburne** – 2 years service; Charleston, retired Attorney [1<sup>st</sup> District]
- **Bucky Drake**- 10 years of service; Columbia; retired; Drake Development Company [2<sup>nd</sup> District]
- **Richard K. Blackwell**- 2 year service; Seneca, VP Development, Agracel [3<sup>rd</sup> District]
- **Michelle Seaver** – less than 1 year of service; Greenville; President, United Community Bank [4<sup>th</sup> District]
- **Greg Thompson**- 11 years of service; Sumter; CEO Thompson Industries [5<sup>th</sup> District]
- **Felton A. Lowrey**- 10 years of service; Columbia; retired Banker [Governor Designee]
- **Ashely Teasdel**- 1 year of service- Deputy Secretary of Commerce  
[Secretary of Commerce Designee]

# MISSION

The mission of JEDA is to promote and develop the business and economic welfare of South Carolina by assisting in the financing of public and private projects throughout the state. JEDA does this through the issuance of private activity bonds at favorable tax-exempt interest rates

JEDA is a completely self-funded agency and operates at no cost to taxpayers.

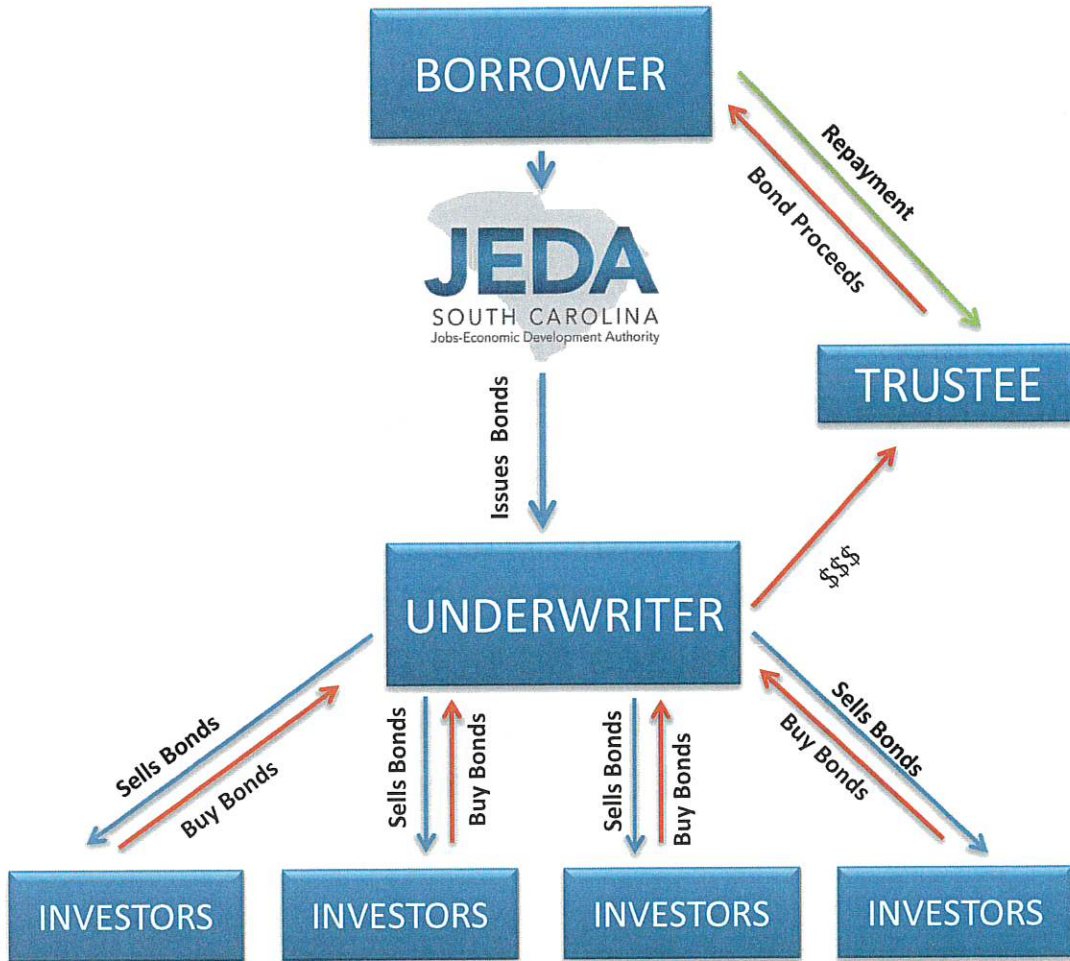
# HISTORY

The recession of 1981-1983 in South Carolina was due, in part, to the nationwide economic downturn, and the inability to overcome the tremendous job losses sustained by the textile manufacturers across the State.

While certain manufacturing entities grew during this period, the overall loss in employment highlighted the need to transition from traditional manufacturing, especially textiles, to more employment in services and non-labor intensive manufacturing.

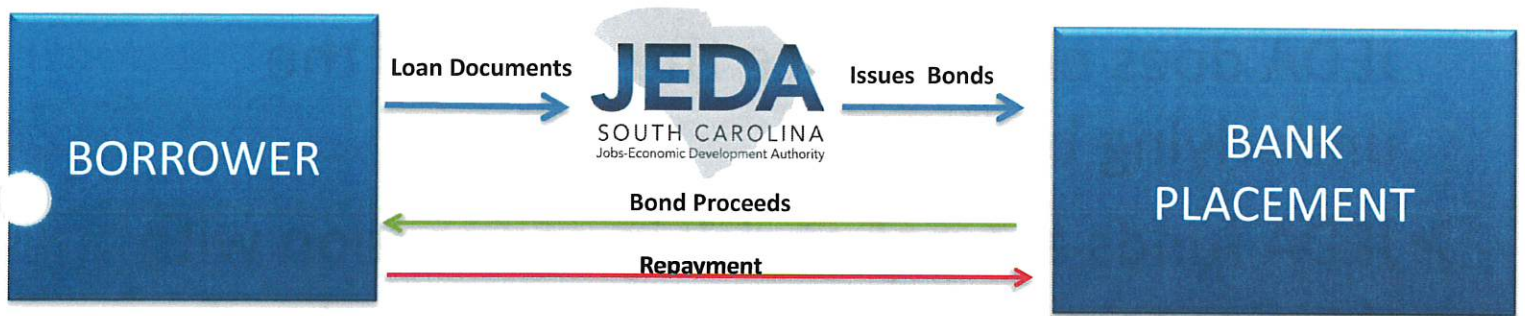
# **JEDA AS A CONDUIT ISSUER**

JEDA serves as conduit issuer of bonds on behalf of a borrowing entity. Under the Internal Revenue Code, certain for-profit entities and Section 501(c)(3) organizations can finance their projects with tax-exempt bonds, but these entities cannot do so directly. They must borrow through a “conduit” issuer of bonds in order to receive the tax-exempt financing. Therefore, parties do not borrow from JEDA, but rather through JEDA, using JEDA as access to the capital markets at tax-exempt rates.





# JEDA AS A CONDUIT ISSUER



- Bonds issued by JEDA are payable solely by the underlying borrower from the funds and assets pledged for each individual bond issue. JEDA does not enhance the credit of the underlying borrower.
- JEDA funds are not at risk in connection with the financing, and no funds of the State of South Carolina or any political subdivision thereof are at risk. Each JEDA bond contains language to that effect.

- The marketplace determines if a bond is marketable, not JEDA.
- JEDA and its counsel analyze each project's eligibility for tax-exempt bond financing, as specified by Federal law.
- JEDA does not assume the responsibility of determining the creditworthiness of a project or borrower, nor does it assume the resulting legal liability from making such a determination.

# JEDA BOND ISSUE PROCESS

Timetable	Provided all steps proceed smoothly, the following process typically requires between 75-120 days
Selection of Bond Counsel	Applicant selects Bond Counsel from list of approved bond firms [as determined by the Office of State Treasurer]
Application	A JEDA application requesting approval of bond issue must be completed by borrower, reviewed by bond counsel and filed with JEDA along with a \$1,000 non-refundable application fee
Inducement Resolution	JEDA reviews application for completeness and bond counsel prepares inducement documents as an agenda item for the next JEDA Board meeting. The inducement resolution represents preliminary approval and is non-binding to all parties
Public Hearing	Federal regulations require a public hearing to be held in the city or county of the project prior to final approval; notice must be published at least 15 days prior to hearing
Negotiate Terms of Sale	Borrower negotiates with financial institutions for the sale of bonds via public sale or private placement
Finalize Terms of Bond	Bond participants meet to finalize bond documents
SC Coordinating Council for Economic Development	Hearing before the CCED for approval of bond issue [State Volume Cap allocation is still approved by SFAA in separate process, if needed]
Adoption of Final Bond Resolution	JEDA Board adopts final bond resolution approving issuance of bonds
Closing	At closing, bond proceeds are deposited for the benefit of the borrower for use as permitted in financing documents

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

# **BOND ISSUE PARTICIPANTS**

**JEDA**

**ISSUER COUNSEL**

**BORROWER**

**BORROWER'S COUNSEL**

**BOND COUNSEL**

**LENDER & COUNSEL**

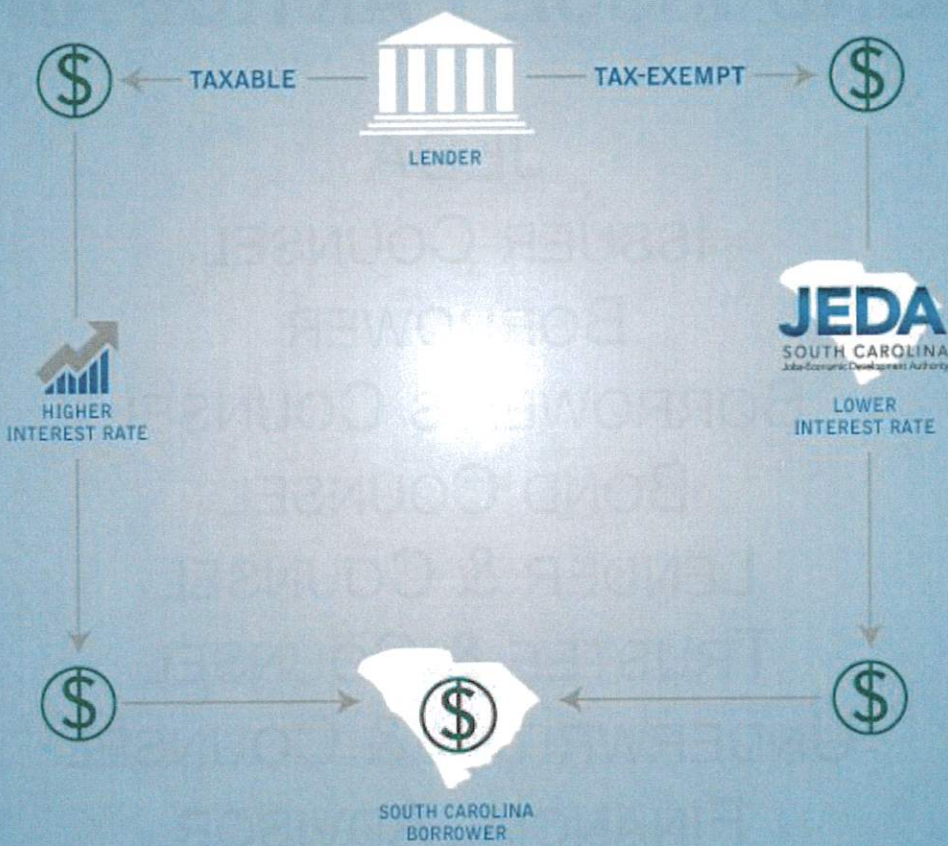
**TRUSTEE & COUNSEL**

**UNDERWRITER & COUNSEL**

**FINANCIAL ADVISOR**

**SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**

How JEDA Reduces Borrowing Cost



SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

# *PURPOSE*

- Retain & expand job opportunities
- Enlarge tax base of state and local governments
- Meet the financial and capital access needs of small and middle market business community
- Target areas of state which have greatest need for private and public investment
- Focus on projects which offer the most economic growth and diversity for South Carolina and its citizens

# JEDA MILESTONES

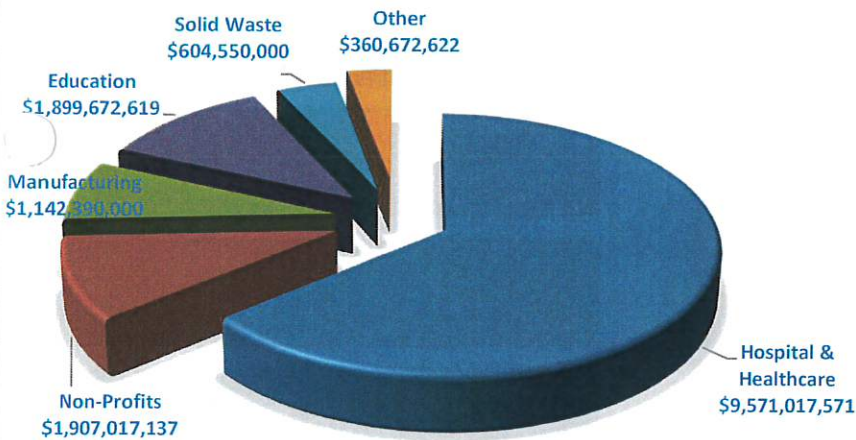
Since its inception in 1983 through fiscal year 2022, we have accomplished great things.

- Issued 620 bonds for \$14.5 billion
- Retained or created over 310,000 jobs
- Recognized by The Bond Buyer Municipal Marketplace as the largest issuer of tax-exempt bonds in SC
- Implemented the \$18 million State Small Business Credit Initiative (SSBCI) 1.0 Program for SC in 2011. JEDA partnered with Business Development Corp. (BDC) leading to over \$300 million in new bank lending and created 1,183 new jobs.
- SSBCI 2.0 Program (\$101 million) approved by US Treasury in 2022 for participation loan funding and venture capital investment.



# JEDA BONDS ISSUED 1985-2023 By Dollar Amount

BOND ISSUE TOTALS BY DOLLAR AMOUNT



\$1.14 Billion  
Manufacturing

\$1.9 Billion Non Profits

\$361 Million Other

\$1.9 Billion Education

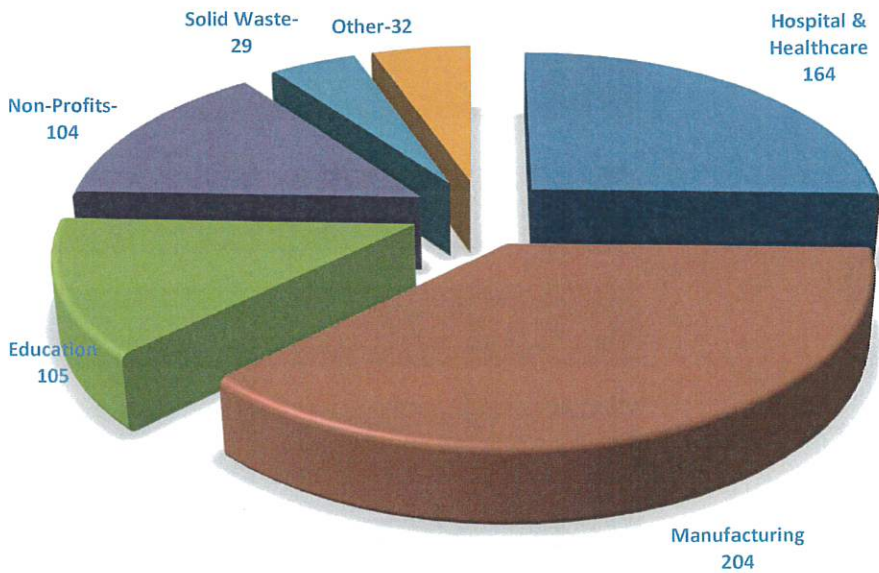
\$604 Million Solid Waste

\$ 9.6 Billion  
Hospital & HealthCare

# JEDA BONDS ISSUED 1985-2023

By Number of Bonds Issued

BOND ISSUES BY # OF BONDS



## Bonds Issued by County as of 06.30.23

COUNTY	NUMBER OF BONDS	BOND AMOUNT	TOTAL JOBS CREATED/RETAINED	COUNTY	NUMBER OF BONDS	BOND AMOUNT	TOTAL JOBS CREATED/RETAINED
Abbeville	3	\$14,930,000	1,912	Horry	22	\$706,738,000	12,801
Aiken	10	\$74,650,000	752	Kershaw	3	\$57,595,000	1,212
Anderson	39	\$883,371,240	23,355	Jasper	3	\$49,175,000	265
Bamberg	2	\$1,975,000	51	Lancaster	9	\$89,485,000	936
Barnwell	1	\$8,000,000	133	Laurens	21	\$211,718,000	3,554
Beaufort	10	\$133,492,956	1,000	Lee	2	\$9,200,000	169
Berkeley	11	\$164,793,001	5,391	Lexington	21	\$575,158,563	13,929
Charleston	73	\$1,900,221,120	37,776	Marion	2	\$19,500,000	313
Cherokee	8	\$40,390,000	1,296	Marlboro	5	\$35,945,000	527
Chester	3	\$77,000,000	120	McCormick	1	\$600,000	43
Chesterfield	4	\$34,560,000	123	Newberry	2	\$9,000,000	130
Clarendon	3	\$7,500,000	260	Oconee	10	\$239,825,000	4,466
Colleton	5	\$12,300,000	731	Orangeburg	11	\$161,880,000	4,613
Darlington	6	\$37,251,742	1,967	Pickens	9	\$47,664,000	1,989
Dillon	1	\$7,500,000	75	Richland	86	\$4,307,750,577	78,304
Dorchester	13	\$145,997,434	1,899	Saluda	1	\$9,000,000	55
Fairfield	1	\$54,215,000	651	Spartanburg	56	\$678,400,600	9,057
Florence	19	\$292,980,000	9,879	Sumter	15	\$344,697,000	10,030
Georgetown	11	\$468,430,000	9,279	Union	1	\$20,750,000	623
Greenville	82	\$2,859,462,591	65,298	York	37	\$444,773,125	4,362
Greenwood	13	\$173,295,000	2,238	<b>TOTALS</b>	<b>638</b>	<b>\$15,485,319,949</b>	<b>312,055</b>
Hampton	3	\$74,150,000	491				

**638**  
BONDS ISSUED

**\$15,485,319,949**  
TOTAL BOND AMOUNT

**312,055**  
TOTAL JOBS

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

# JEDA FEE SCHEDULE

➤ **APPLICATION FEE \$1,000 NON-REFUNDABLE**

➤ **STANDARD FEE – 12.5 BASIS POINTS TIMES BOND AMOUNT**

**MINIMUM FEE \$3,000**

(APPLIES TO ALL PRIVATE ACTIVITY BONDS, SOLID WASTE BONDS AND BONDS USING VOLUME CAP ALLOCATION)

➤ **HOSPITAL & 501(C)(3) FEE**

**\$10MM OR LESS: 12.5 BASIS POINTS**

**\$10MM - \$50MM: \$12,500 PLUS 8 BASIS POINTS OVER \$10MM**

**\$50MM-\$100MM: \$44,500 PLUS 4 BASIS POINTS OVER \$50MM**

**OVER \$100MM- \$64,500 PLUS 2 BASIS POINTS OVER \$100MM**

**MINIMUM FEE \$3,000**

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

# **JEDA FEE SCHEDULE**

## **➤ ANNUAL FEE**

1.5 BASIS POINTS ON OUTSTANDING BALANCE

ASSESSED ON THE ANNIVERSARY DATE OF EACH BOND

MINIMUM FEE \$500

MAXIMUM FEE \$10,000

## **➤ REISSUE/CONVERSION FEE**

50% OF STANDARD FEE

MINIMUM FEE \$2,500

# BUDGET SUBMISSION FY23/24



Fiscal Year FY 2023-2024  
Agency Budget Plan

## FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B)	For FY 2023-2024, my agency is (check "X"):
	<input type="checkbox"/> Requesting General Fund Appropriation.
	<input checked="" type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2023-2024, my agency is (check "X"):
	<input type="checkbox"/> Requesting Non-Recurring Appropriation.
	<input checked="" type="checkbox"/> Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2023-2024, my agency is (check "X"):
	<input type="checkbox"/> Requesting Funding for Capital Projects.
	<input checked="" type="checkbox"/> Not requesting any changes.
PROVISIONS (FORM D)	For FY 2023-2024, my agency is (check "X"):
	<input type="checkbox"/> Requesting a new provision or substantive changes to existing provision.
	<input checked="" type="checkbox"/> Not requesting any provision changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	Phone	Email
PRIMARY CONTACT:	Van J. Bentley	(803) 733-6627	jbentley@jeda.com
SECONDARY CONTACT:	Claudia Miller	(803) 737-0294	cmiller@jeda.com

I have reviewed and approved the enclosed FY 2023-2024 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGNATURE:	<i>Henry A. Hepolity</i>	9/20/22	<i>Michael R. Orr</i>	9/20/2022
	Henry A. Hepolity, Executive Director		Michael R. Orr, Chairman	

This form must be signed by the agency head - not a delegate.



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## **Jesse Smith**

Executive Director

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