



JEDA

SOUTH CAROLINA
Jobs-Economic Development Authority

***HOUSE
WAYS & MEANS
ECONOMIC DEVELOPMENT
BUDGET HEARING
FY 22-23***

HARRY A. HUNTLEY, CPA
EXECUTIVE DIRECTOR

CLAUDIA MILLER
ADMINISTRATIVE MANAGER

MAULDIN & JENKINS CPAs
GRANT DAVIS

EXTERNAL AUDITOR

BOARD MEMBERS & TERMS

Seat	Name	Term Expires
Chairman	Michael W. Nix	July 27, 2019*
1 st Congressional District	W. Warner Peacock	July 27, 2018*
2 nd Congressional District	W. Bucky Drake	July 27, 2018*
3 rd Congressional District	Vacant	
4 th Congressional District	Vacant	
5 th Congressional District	Greg Thompson	July 12, 2018*
6 th Congressional District	Vacant	
7 th Congressional District	Henry M. Swink	July 27, 2015*
Ex-Officio	Harry M. Lightsey III <i>SC Secretary of Commerce</i>	Co-terminus with Position
Ex-Officio	Felton A. Lowrey <i>Governor Designee</i>	Co-terminus with Governor

* Will continue to serve until a Successor is appointed

MISSION STATEMENT

The mission of JEDA is to promote the business and economic welfare of South Carolina by assisting in the financing of public and private projects throughout the state.

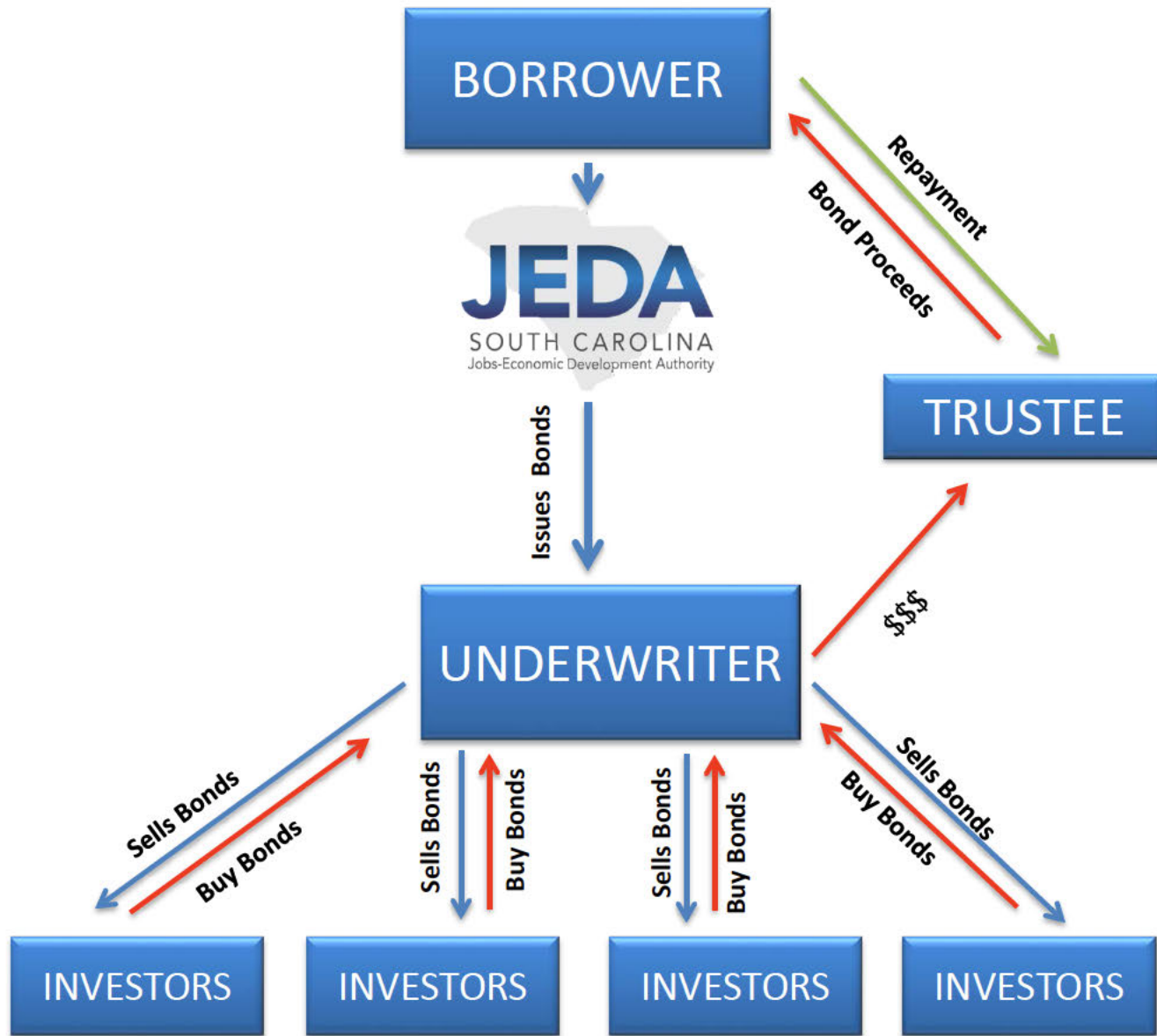
JEDA serves as a statewide conduit issuer of special obligation revenue bonds and acts on behalf of the borrower to access financial markets and capital.

Small manufacturers, hospitals, educational facilities, and other not-for-profit companies have benefitted from this innovative, typically tax-exempt financing to help create and keep jobs in South Carolina.

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

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.



BORROWER

Loan Documents



Issues Bonds



Repayment



Bond Proceeds



**BANK
PLACEMENT**

- 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.

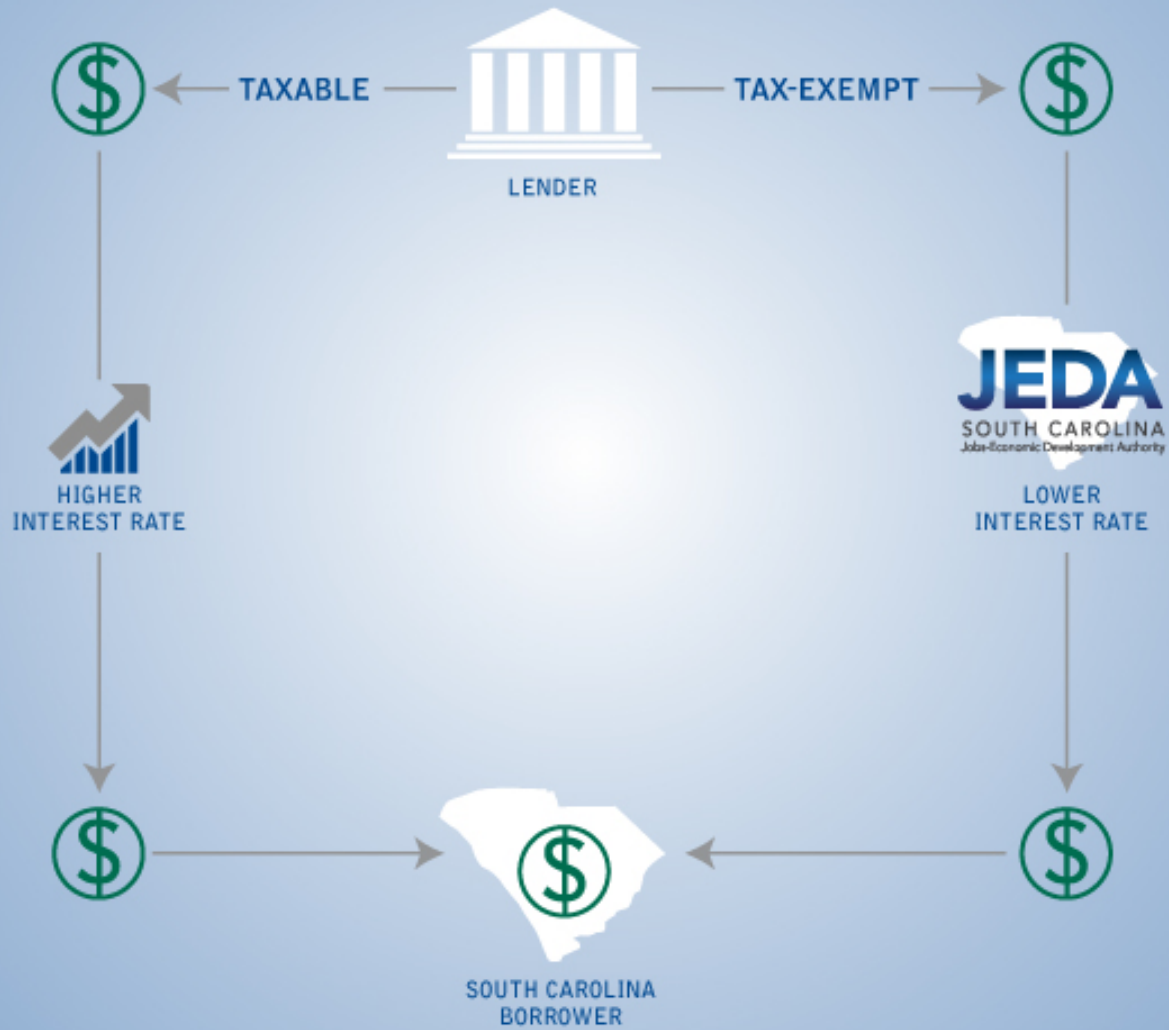
JEDA BOND ISSUE PROCESS

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

BOND ISSUE PARTICIPANTS

- JEDA
 - ISSUER COUNSEL
 - BORROWER
 - BORROWER'S COUNSEL
 - BOND COUNSEL
 - LENDER & COUNSEL
 - TRUSTEE & COUNSEL
- UNDERWRITER & COUNSEL
 - FINANCIAL ADVISOR

How JEDA Reduces Borrowing Cost



HISTORY

1981-1983

- Recession in South Carolina
- Employment losses in Textile Manufacturing
 - Continuous Decline in employment
- South Carolina transitions from less dependency on traditional manufacturing to service and non-labor intensive manufacturing

1983

- JEDA is created by Act 145 of the General Assembly

PURPOSE

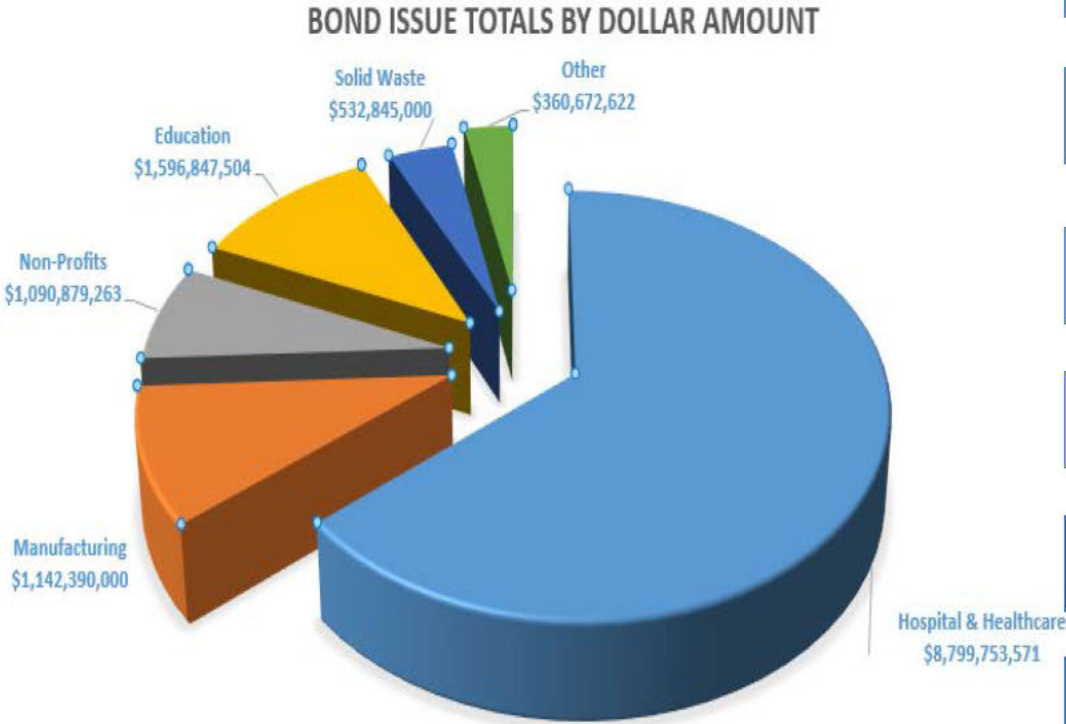
- Retain & expand job opportunities
- Enlarge tax base of state and local governments
- Meet the financial and capital access needs of small and middle market business community
- Target areas of state which have greatest need for private and public investment
- Focus on projects which offer the most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

SINCE 1983...

- Issued over \$13.5 Billion in bonds
 - Over 591 bonds
 - Created and Retained more than 268,744 jobs

JEDA BONDS ISSUED 1985-2021

By Dollar Amount



\$1.1 Billion
Manufacturing

\$1.1 Billion Non Profits

\$361 Million Other

\$1.6 Billion Education

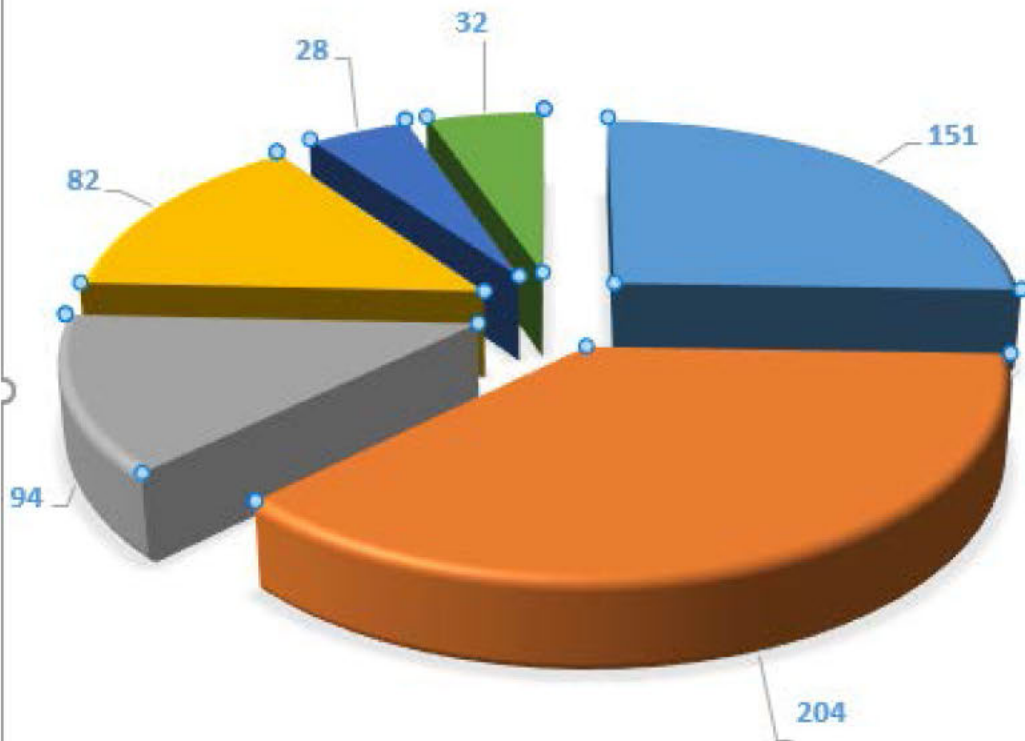
\$533 Million Solid Waste

\$ 8.8 Billion
Hospital & HealthCare

JEDA BONDS ISSUED 1985-2021

By Number of Bonds Issued

BOND ISSUES BY # OF BONDS



204 Manufacturing

82 Non-Profits

32 Other

94 Education

28 Solid Waste

151 Hospital &
Health Care

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

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

Agency Name: Jobs-Economic Development Authority
 Agency Code: IP340 Section: 51



**Fiscal Year FY 2022-2023
 Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization. Not requesting any changes.
NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization. Not requesting any changes.
CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
PROVISOS <i>(FORM D)</i>	For FY 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input checked="" type="checkbox"/>	Only requesting technical proviso changes (such as date references). Not requesting any proviso changes.

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

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	HARRY A. HUNTLEY	[REDACTED]	[REDACTED]
SECONDARY CONTACT:	CLAUDIA MILLER	[REDACTED]	[REDACTED]

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<i>Agency Director</i>	<i>App/Gr. Committee Chair</i>
SIGNATURE:	[REDACTED]	[REDACTED]
TYPE/PRINT NAME:	Harry A. Huntley	MICHAEL W. NIX

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



Harry A. Huntley, CPA

Executive Director

1201 Main Street, Suite 1600

Columbia, SC 29201

www.scjeda.com