



Ways and Means Committee Budget Hearing
Economic Development and Natural Resources Subcommittee
January 5, 2022

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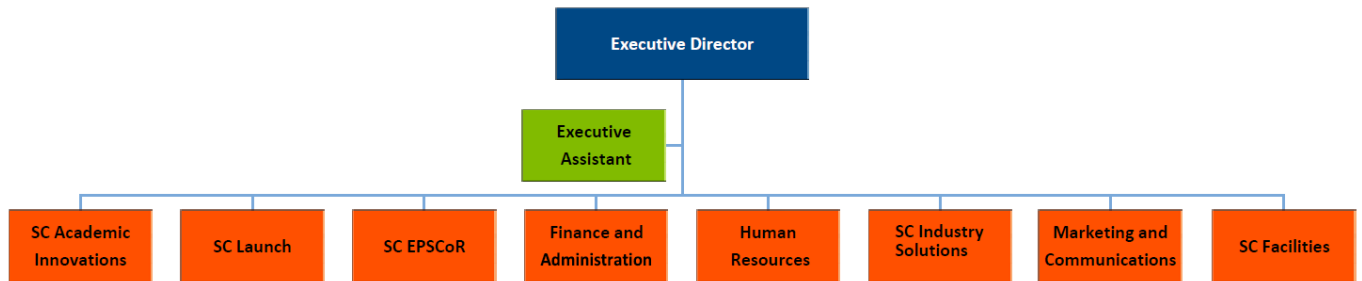
1- List of Key Officials Attending Hearing

Bob Quinn

Executive Director

2- Organizational Chart

ORGANIZATIONAL CHART Direct Reports



3-Accountability Report (Summary)

South Carolina Research Authority (SCRA) companies and research teams ‘scaled up’ in 2021 by working tirelessly to grow their organizations and produce goods and services that are transforming the way business and industry work in South Carolina and beyond. Scaling up for some was increasing their production to become leaders in their fields, and for others, it was expanding their workspaces and the size of their staff.

Also, and evident of this state being a great place to do business, some companies moved their operations to South Carolina and SCRA assisted in these relocations. SCRA’s world-class facilities with their innovative features are an attractive option for technology startups and academic institutions alike.

SCRA continues operationalizing its FY20-22 Strategic Plan by:

- Funding and supporting the work of our academic partners, who are solving industry’s most pressing problems.
- Ensuring our financial sustainability through contributions to the Industry Partnership Fund (IPF), investments in our SC Launch Inc. Portfolio Companies and successful returns from those investments, contracts with federal agencies and others, and tenant leases for our innovation centers and other facilities.
- Maintaining and growing successful and productive relationships with multiple stakeholders that enable SCRA’s optimal performance.
- Recruiting additional venture capital sources into our state.
- Driving operational excellence through our continuous improvement teams and processes.
- Supporting our Member and Portfolio Companies with grants, coaching, networking, and SC Launch Inc. investments.

Other 2021 highlights include:

- Realizing an annual economic impact on South Carolina’s innovation economy of over \$1 billion through SCRA’s programs and operations.
- Supporting 5,429 jobs throughout the state.
- Enabling \$2.2 billion in follow-on funding for SCRA-supported companies.
- Producing and hosting 24 educational webinars and nine CEO podcasts.
- Announcing the funding of SCRA-Academia Collaboration Team Grants, which includes \$3.3 million from SCRA and another \$3.4 million from academic institutions and industry partners.
- Receiving the first contribution to the IPF from a banking institution, Ameris Bank.
- Achieving a successful exit by SC Launch Inc. Portfolio Company, MedProcure.
- Celebrating Proterra’s being the first SC Launch Inc. Portfolio Company to become publicly traded on the Nasdaq exchange.
- Incorporating a diversity, equity, and inclusion plan into our pipeline strategy.

SCRA extols the collaborations we have with our strategic partners and greatly appreciates these invaluable teammates. We would not be able to achieve our mission without them.

4-Budget Request Summary

Budget vs. Actual Report by Funding Source

State & State Incentivized Sources (\$M)

	FY 2021 P	FY 2021	FY 2022P	FY 2022 YTD ⁽¹⁾
State Contribution	\$ -	\$ -	\$ -	\$ -
Contributed Land Sales	-	-	-	-
IPF Contributions	5.0	4.8	6.0	4.0
Subtotal State & State-incentivized Sources	\$ 5.0	\$ 4.8	\$ 6.0	\$ 4.0

Private & Other Non-State Sources (\$M)

	FY 2021 P	FY 2021	FY 2022P	FY 2022 YTD ⁽¹⁾
Private Contributions	\$ -	\$ -	\$ -	\$ -
Investments: Return of Principal and Gains	7.0	7.0	-	-
Interest & Other	0.7	0.7	0.6	0.3
Debt Financing	-	-	-	-
Lease Revenues	4.6	5.1	5.0	2.6
Cashflow for Innovation Center Operations	0.4	0.4	0.4	0.2
Funds from (to) Reserves	(3.0)	(4.1)	1.2	(2.2)
Subtotal Private Sources Investments & Initiatives	9.7	9.1	7.2	0.9
Total Investment & Initiative Sources	14.7	13.9	13.2	4.9
Sources of Other In-State Expenditures: Contract Revenues	0.5	0.8	1.1	1.4
Total All Sources	\$ 15.2	\$ 14.7	\$ 14.3	\$ 6.3

Uses : In-State Expenditures (\$M)

	FY 2021 P	FY 2021	FY 2022P	FY 2022 YTD ⁽¹⁾
Facilities Investment (including financing cost)	\$ 0.6	\$ 0.9	\$ 1.1	\$ 0.6
Direct Company Investment	1.9	1.9	-	-
Non-Return Based Investments	1.4	0.9	1.2	0.3
Innovation Center Operating Subsidies	0.6	0.6	0.6	0.3
Facilities Operating Expenses (excluding depreciation & interest)	1.8	1.5	1.7	0.8
Principal Payments on Debt	0.9	0.9	0.9	0.5
Industry Partners Amendment Services	1.2	1.2	1.2	0.6
University Research Funding	1.6	1.8	1.9	0.3
Research Parks Operating Subsidies	0.0	0.0	0.0	0.0
Subtotal Investments & Initiatives	10.0	9.7	8.6	3.5
Other: In-State Payroll	5.2	5.0	5.7	2.8
Other: In-State Contract Expenditures	-	-	-	-
Total In-State Uses	\$ 15.2	\$ 14.7	\$ 14.3	\$ 6.3

⁽¹⁾ The forecasted 6 month period ended December 31, 2021

5-Official Budget Request

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N/A

6-Proviso Request Summary

N/A

7-Carry Forward Information

N/A

8-FTE Breakdown

35 Full-time Employees

2 Vacancies

1 Part-time Employee

0 Interns



Fueling the Innovation Economy of South Carolina

Chartered in 1983 by the State of South Carolina, SCRA fuels South Carolina’s innovation economy by accelerating technology-enabled growth in academia, entrepreneurship, and industry.

ACADEMIA: SC Academic Innovations provides funding and support to advance multi-institutional and translational research and accelerate the growth of university-based startups.

ENTREPRENEURS: SC Launch coaches and funds technology-based startups that may also receive investments from SCRA’s investment affiliate, SC Launch Inc.

FACILITIES: SC Facilities offers high-quality laboratory and administrative workspaces for technology-based startups and academic institutions to advance technology as well as to grow and attract companies to South Carolina.

INDUSTRY: SC Industry Solutions facilitates and funds partnerships between and among startups, industry, and academia to identify potential solutions and form relationships.

SUCCESS STORY:

Greenville, SC



Proterra

SC Launch Inc. Portfolio Company, Proterra Inc. (Proterra), began trading on Nasdaq in June.

The company is a leading innovator in commercial vehicle electrification technology, and the SC Launch Inc. investment dates to the early days of Proterra. Based on the promise of other funding, the company relocated from Colorado to Greenville. When the expected investment did not materialize, SC Launch Inc., Venture South, and a handful of other South Carolina-based investors stepped in to keep Proterra viable during a crucial period in the young company’s existence. This cash infusion provided management with the financial resources needed to weather the storm and emerge on the other side stronger, with the ultimate result being a publicly traded firm.

\$1.003B
Annual Economic Impact of SCRA on South Carolina

5,429
South Carolina-based Jobs Supported by SCRA

>1.35M ft²
Total Research, Lab, Collaboration, and Office Space Managed By SCRA

\$73.8K
Average Salary of SCRA Member Companies (53% Higher Than the Statewide Average)

\$2.2B
Follow-on Capital Secured by SCRA Member Companies and SC Launch Inc. Portfolio Companies

Proterra has three complementary businesses:

- **Proterra Powered:** Delivering industry-leading battery systems and electrification solutions to commercial vehicle manufacturers.
- **Proterra Transit:** Leading North America as the market's #1 electric transit bus OEM (original equipment manufacturer).
- **Proterra Energy:** Offering end-to-end turnkey charging and energy management solutions.

President Joe Biden virtually toured Proterra's Greenville electric bus manufacturing facility in 2021 where they employ approximately 500 employees. The company recently announced that they are expanding their South Carolina operations with a new electric vehicle battery system manufacturing facility in Spartanburg County. Proterra's \$76 million investment is expected to create more than new 200 jobs.