Fiscal Year 2015-16 Accountability Report

SUBMISSION FORM

Agency Mission	The South Carolina Jobs-Economic Development Authority (JEDA), created by an act of the General Assembly by Section 41-43-10, is a quasi-public instrument of the State which promotes 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 borrowing entity to access financial markets & capital. JEDA serves non-profi organizations, including educational facilities, healthcare facilities, and other non-profi organizations such as foundations, museums, Goodwill Industries and YMCA; smal manufacturing facilities as well as solid waste disposal facilities which qualify for tax exempt and taxable financing. JEDA's mission is to advance the economic welfare of the State with focus on job creation and retention.
Agency Vision	Promote and develop the business and economic welfare of the State to provide maximum opportunities for the creation and retention of jobs and the improvement of the standard of living through the issuance of bonds for non-profits and qualified small manufacturers and solid waste facilities through monetary savings by borrowing through a conduit bond issue offering lower tax-exempt interest rates.

Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

RESTRUCTURING	2014 Act. No 121 (S.22) amended two sections of the JEDA statutes in error. The word
RECOMMENDATIONS:	"not" was removed from the final sentences in Section Sections 41-43-100 and 41-43-
	110, which substantially changed the meaning and intent of the statute. The original
	statutes were adopted in 1983 (Act 145) and amended in 1992 (Act 404) and always
	contained the following language: "The interest rate of bonds issues pursuant to this
	section is not subject to approval by the State Budget & Control Board". The original
	Restructuring Bill S.22 did not strike the word "not". It was mistakenly stricken prior
	to final passage and Budget Provisos have been necessary in 2014, 2015 & 2016 to
	preserve the intent of the original JEDA statutes. The corrective action should be to
	return the word "not" to both effected Code Sections to prevent having to correct this
	with a budget proviso each year.

AGENCY NAME:	SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY						
AGENCY CODE:	P-34	SECTION:	51				

Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	Email
PRIMARY CONTACT:	HARRY A. HUNTLEY	737-0627	hhuntley@scjeda.com
SECONDARY CONTACT:	CLAUDIA MILLER	737-0284	cmiller@scjeda.com

I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):

8/30/2016 (TYPE/PRINT NAME): HARRY A. HUNTLEY

BOARD/CMSN CHAIR (SIGN AND DATE):

31 8 16 MICHAEL W. NIX

(TYPE/PRINT NAME):

AGENCY'S DISCUSSION AND ANALYSIS

AGENCY NAME:

AGENCY CODE:

JEDA continues to expand its educational efforts and marketing plan of its bond programs available to advance and grow the business and economic welfare of South Carolina businesses. Through its own efforts and in partnership with national development agencies, JEDA provides educational and resource material to potential borrowers and, in an environment where existing borrowers are exposed to increased scrutiny by regulatory agencies (*i.e.* Internal Revenue Service and Securities and Exchange Commission) monitors and provides continuing compliance requirements and material to its existing borrowers.

JEDA receives no state or federal funding, is completely self-supporting and operates primarily on revenues generated by its bond issuing activities. Despite continuing challenges in the economic environment and market volatility, JEDA continues to develop innovative financial structuring to assist borrowers and advance economic development and job growth in South Carolina. During FY 2016, JEDA closed 14 bonds for a total of \$369,691,729 and reissued or modified 5 bonds for a total of \$78,624,759. Of the fourteen new projects, seven were for new capital expenditures, four were re-financings and three projects combined new capital expenditures with a refunding. The projects included issues for 3 private colleges, 3 educational facilities, 1 charter school, 2 multi-site health care systems, 1 manufacturer, and 4 community providers, which when combined, currently employ 21,072 individuals and expect to create 66 new jobs.

As implementing agency on behalf of the State of South Carolina, JEDA received an allocation of \$17.99M from the Department of Treasury to implement the South Carolina SSBCI (State Small Business Credit Initiative) program. During this fiscal year, the program, which is administered by the Business Development Corporation (BDC), deployed \$25,390,874 in SSBCI funds through two loan programs- a loan participation program and a Capital Access Program, which have generated a total of \$133,551,537 in loans which resulted in the creation of 517 new jobs and the retention of 2,482 existing jobs. South Carolina continues to be lauded by the Department of Treasury as having the most successful SSBCI program in the country.

In conjunction with the Council for Development Financing Agencies, a national association dedicated to the advancement of development finance concerns and interests comprised of the nation's leading and most knowledgeable members of the development finance community representing over 400 public, private and non-profit development entities, JEDA hosted CDFA National Summit in Nov. 2015. The National Summit is designed for both public and private sector participants from all over the country which represent a diverse cross-section of the development finance industry and brings unique perspectives and creative financing approaches, including taxexempt and taxable bonds, credit enhancement programs, debt and equity investments. The event was attended by a variety of non-governmental and private organizations ranging from regional and large investment banks to commercial finance companies, bond counsel, bond insurers, trustees, rating agencies and other organizations interested in development finance.

Agency Name:

South Carolina Jobs-Economic Development Authority

Section:

Fiscal Year 2016-17 Accountability Report

Agency Code:

P-34

Strategic Planning Template

Туре	Goal	<u>Item #</u> Strat	Object	Associated Enterprise Objective	Description
G	1			Public Infrastructure and Economic Development	ADVANCE AND GROW BUSINESS & ECONOMIC WELFARE THROUGHOUT STATE
S		1.1			Partner with national development & advocacy agencies
0			1.1.1		Partner with Council of Develoment Finance Agencies
S		1.2			State Small Business Credit Initiative and Other Credit Support Programs
0			1.2.1		Partner with Business Development Corporation on SSBCI Program
S		1.3			Financial Advisory Services
0			1.3.1		Partner with Stifel Nicolaus on advisory/transaction expertise to local govt and school distric
S		1.4	ļ		Partner with South Carolina Department of Commerce
0			1.4.1		Continue work/collaboration with Global Business Development in attracting new industry
0			1.4.2		Continue work with Commerce staff on developing new economic development programs/in
G	2				EXPAND MARKETING PLAN FOR BOND PROGRAM
S		2.1			Educate existing/potential borrowers on benefits & options for conduit bond financing
0			2.1.1		Provide educational and resource material
0			2.1.2		Provide continuing compliance requirements and material online
G	3				EDUCATE BANKERS, CPAs & ECONOMIC DEVELOPERS
S		3.1			Educational Seminars/conferences/bond summit
0			3.1.1		Host annual Bond Summit to discuss trends/concerns/opportunities in conduit bond industry
0			3.1.2		Attend SCEDA Conference
G	4				ATTRACT COMMERCIAL LENDERS FOR PRIVATE PLACEMENTS
S		4.1			Expand participation in lender related conferences/meetings
0			4.1.1		Attend South Carolina Bankers Association annual meeting and conferences
0			4.1.2		Increase interaction and resources for finance opportunities with lenders
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					

51

Agency Name:	South Carolina Jobs-Economi	c Development Auth	ority
Agency Code:	P-34	Section:	051

Item	Performance Measure	Target Value	Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1	Bond Applications	15	18		Jul 1- Jun 30	Internal Reporting	Internal Accounting	1,2, 3 & 4
2	Number of Bonds Closed	15	11		Jul 1- Jun 30	Internal Reporting	Internal Accounting	1,2, 3 & 4
3	Dollar Amount of Bonds Closed	\$380,000,000	\$345,908,729		Jul 1- Jun 30	Internal Reporting	Internal Accounting	1,2, 3 & 4
4	Number of Reissues	5	5		Jul 1- Jun 30	Internal Reporting	Internal Accounting	1,2, 3 & 4
5	Dollar Amount of Reissues	\$150,000,000	\$78,624,759		Jul 1- Jun 30	Internal Reporting	Internal Accounting	1,2, 3 & 4
6	Jobs Created	200	50		Jul 1- Jun 30	Internal Reporting	Internal Accounting	1,2, 3 & 4

Agency Name:	South Carolina Jobs-Economic Development Authority						
Agency Code:	P-34	Section:	051				

Fiscal Year 2015-16 Accountability Report

Agency code.	r-54	Section.		051										Program Templ
Program/Title	Purpose			015-16 Expendit					<u>FY 20</u>		tures (Projected			Associated Objective
		General		Other	Federal		DTAL	General		Other	Federal		TOTAL	
. ADMINISTRATION	LEADERSHIP/DIRECTION FOR AGENCY					\$	-		4			\$	-	
	EXECUTIVE DIRECTOR		\$	110,000			110,000		\$	110,000		\$	110,000	
	OTHER PERSONNEL		\$	60,000		\$	60,000		\$	60,000		\$		501070
	OTHER OPERATING EXPENSE		\$	182,500 \$	18,000		200,500		\$	182,500		\$	182,500	
. EMPLOYEE BENEFITS			<u>,</u>	50.050		\$	-		<u>,</u>			\$	-	
. STATE EMPLOYEES	STATE EMPLOYER CONTRIBUTION		\$	52,650		\$	52,650		\$	52,650		\$		513000
						\$						\$	-	
						\$	-					\$	-	
						\$ \$	-					\$ \$	-	
						\$\$	-					\$ \$	-	
						\$ \$	-					\$ \$	-	
							-						-	
						\$ \$	-					\$ \$	-	
						\$ \$	-						-	
							-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$ \$						\$ \$	-	
						> \$	-					\$ \$	-	
						۶ \$						ې \$	-	
						>\$	-					\$ \$	-	
						\$\$	-					\$ \$	-	
						•	-					-	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
						\$	-					\$	-	
					2	\$	-					\$	-	

Agency Name:	South Carolina Jobs-Eco	nomic Development Autho	ority		Fiscal Year 2015-16		
				_	Accountability Report		
Agency Code:	P-34	Section:	051				
					Legal Standards Template		
ltem #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)		
1	41-43	State	Statute	Establishes the South Carolina Jobs-Economic Development Authority, a public body corpora			
2	IRS Code Section 142	Federal	Regulation	Establishes Exempt Facility Bond rules and criteria	Conduit Bond Issuance		
3	IRS Code Section 144	Federal	Regulation	Establishes Qualified Small Issue Bonds rules and criteria	Conduit Bond Issuance		
4	IRS Code Section 1934	Federal	Regulation	Establishes Basis prescribed in the Revenue Act of 1934	Conduit Bond Issuance		

Agency Name:	South Carolin	na Jobs-Economic Development Authority	Fisca					
Agency Code:	P-34	Section: 51			Accountability Report			
Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	<u>Specify only for the following Segments:</u> (1) <u>Industry:</u> Name; (2) <u>Profession</u> <u>Public:</u> Demographics.	Customer Template al Organization: Name; (3)			
Conduit Bond Issuance	Issuance of bonds to nonprofits, small manufacturers and solid waste facilities by allowing money savings through borrowing at lower tax-exemptinterest rates	cost savings through borrowing at lower tax exempt interest rates	Industry	Non-profits, small manufacturers and solid waste facilities				

Agency Name:	Agency Name: South Carolina Jobs-Economic Development Authority				Fiscal Year 2015-16
Agency Code:	P-34	Section:	051		Accountability Report
Agency code.		Section.	031		Partner Template
Name of Partner Entity	Type of Partne	er Entity	Descriptio	on of Partnership	Associated Objective(s)
BORROWERS	K-12 Education Institute			ND ISSUES	Promote & develop the business
	Higher Education Institu	ıte		ND ISSUES	
	Private Business Organiz			ND ISSUES	
	Non-Governmental Org		BON	ND ISSUES	
	Private Business Organiz		BON	ND ISSUES	
BOND ATTORNEYS			BON	ND ISSUES	
BANKS & UNDERWRITERS			BON	ND ISSUES	
FINANCIAL ADVISORS			BON	ND ISSUES	

Agency Name:	South Carolina Job	os-Economic Development Authority				Fit		
Agency Code:	P-34	Section:	051					Accountability Report
		Name of Entity Requesting the		Reporting	Submission Date			Report Template
Item	Report Name	Report	Type of Entity	Frequency	(MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report	
2	Restructuring Report Accountability Report	House Legislative Oversight Executive Budget Office	State State	Annually Annually	January 12, 2016 9/15/2015			
3	Bank Account Transparency Report	Executive Budget Office	State	Annually	October 1, 2015			
4	Agency Budget Plan	Executive Budget Office	State	Annually	Sept. 30, 2015			
-								
·								

Fiscal Year 2015-16 Accountability Report	opment Authority	South Carolina .	Agency Name:	
	051	Section:	P-34	Agency Code:
Oversight Review Template				
Method to Access the Oversight Review Report	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Type of Entity	Name of Entity Conducted Oversight Review	ltem
External Annual Audit Statutory Requirement	07-01-2015 to 06-30-2016	Outside Organization	Matt Brown CPA	1