

Economic Development, Transportation, and Natural Resources Subcommittee Meeting
Tuesday, June 29, 2021

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AGENDA

South Carolina
House of Representatives



Legislative Oversight Committee

***ECONOMIC DEVELOPMENT, TRANSPORTATION,
AND NATURAL RESOURCES SUBCOMMITTEE***

The Honorable William M. "Bill" Hixon, Chair

The Honorable Adam M. Morgan

The Honorable Russell L. Ott

The Honorable Marvin R. Pendarvis

Tuesday, June 29, 2021

9:00 a.m.

321 - Blatt Building

Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming whenever technologically feasible.

AMENDED AGENDA

- I. Approval of Minutes**
- II. Discussion of the study of the Department of Commerce**
- III. Adjournment**

MEETING MINUTES

Chair Wm. Weston J. Newton

*First Vice-Chair:
Joseph H. Jefferson, Jr.*

Legislative Oversight Committee

*Kambrell H. Garvin
Rosalyn D. Henderson-
Myers
Jeffrey E. "Jeff" Johnson
John R. McCravy, III
Adam M. Morgan
Melissa Lackey Oremus
Marvin R. Pendarvis
Tommy M. Stringer
Chris Wooten*



South Carolina House of Representatives

*Gil Gatch
William M. "Bill" Hixon
Kimberly O. Johnson
Josiah Magnuson
Timothy A. "Tim" McGinnis
Travis A. Moore
Russell L. Ott
Michael F. Rivers, Sr.
John Taliaferro (Jay) West, IV*

*Jennifer L. Dobson
Research Director*

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*Charles L. Appleby, IV
Legal Counsel*

*Lewis Carter
Research Analyst/Auditor*

*Riley E. McCullough
Research Analyst*

Economic Development, Transportation, and Natural Resources Subcommittee

Friday, June 4, 2021

10:00 a.m.

Blatt Room 110

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chair Bill Hixon on Friday, June 4, 2021, in Room 110 of the Blatt Building. All other members (Rep. Adam M. Morgan; Rep. Russell L. Ott; and Rep. Marvin R. Pendarvis) were present for all or a portion of the meeting.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings. It is the practice of the Legislative Oversight Committee to provide minutes for its subcommittee meetings.
- II. Representative Ott makes a motion to approve the meeting minutes from the prior Subcommittee meeting.

Rep. Ott's motion to approve the minutes from the May 27, 2021 meeting:	Yea	Nay	Not Voting (Not present)
Rep. Hixon	✓		
Rep. Morgan	✓		
Rep. Ott	✓		
Rep. Pendarvis	✓		

Discussion of the S.C. Department of Commerce

- I. Chair Hixon places the following agency representatives under oath:
 - a. Ashely Teasdel, Director of Business Services
 - b. Anita Patel, Deputy Director, International Strategy & Trade
 - c. Elisabeth Kovacs, Deputy Director-Workforce Development

Chair Hixon reminds all previously sworn in that they remain under oath.

- II. Representative Pendarvis asks agency personnel questions about the Viva Recycling plant. Agency representatives respond to the questions.
- III. Ms. Teasdel and Ms. Patel present information about deliverables in the agency's Service after the Sale presentation. Topics discussed include:
 - a. Existing Industry Site Visitation
 - i. Flow chart for industry roundtables (EI visit, assess need, make appropriate referral)
 - ii. Key industry support partners (S.C. Council on Competitiveness and SCMEP; areas in which they provide support)
 - iii. Top 5 Areas of Interest and Referrals by Existing Industry as of May 2021; # of manufacturing visitations each year 2016-17 thru 2019-20
 - iv. SC Manufacturing Extension Partnership (SCMEP) overview
 - v. Business Assessment and Support (competitiveness review and match funding)
 - vi. Flow chart when EI visit results in referral to SCMEP

- vii. 5 most common areas of need based on competitiveness review assessment
- viii. Impact results of SCMEP and 2 examples
- b. Supplier Outreach**
 - i. Assist with identifying SC Suppliers
 - ii. Host B2B Matchmaker Events
 - iii. Host Supplier Outreach Events
 - iv. Benefits for: (1) new or expanding company; (2) supplier and/or contractor
 - v. Volvo Supplier Outreach event video
 - vi. SourceSC Enrollment (www.sourcesc.com)
 - vii. Supplier Outreach Spotlight on two events
- c. Small Business Development (avg. size is 10 employees or less)**
 - i. Flow chart from small business inquiry to referral and follow up; # of SC Small business inquiries addressed yearly from 2016-17 thru 2020; top 5 requests for resource assistance
 - ii. Overview of potential referral sources: S.C. Small Business Development Centers; Lowcountry Local First/Good Enterprise Program; Minority Business Development Agency
 - iii. S.C. Small Business Development Centers (SBDC) overview
 - iv. Flow chart from small business inquiry received to assistance and/or coaching begins
 - v. List of services available; 2020 statewide services and outcomes
 - vi. Example: Barber Tech Academy in Orangeburg, SC
- d. Innovation**
 - i. 3Phase Program overview
 - ii. Statistics on program participation since launch in February 2018
 - iii. How it works flow chart
 - iv. Explanation of each phase in program
 - v. Examples of SC businesses in program: Pensievision; Poly-Med, Inc.
 - vi. Relentless Challenge Grant overview (competitive grant for incubators & non-profits)
 - vii. Goals grant project proposal must meet
 - viii. Examples of grant recipients and state map showing where awards granted
- e. Recycling Market Development**
 - i. Recycling Market Directory
www.recyclinginsc.com/directory
 - ii. Flow chart from waste stream need discovered during EI or partner visit through connection made to a recycler; # recycling industry inquiries addressed by the recycling team yearly from 2016-17 to 2020
 - iii. Company spotlight: WP Rawl
- f. Export/Trade**

- i. Export training: goal and number of attendees yearly from 2016-17 thru 2020-21
 - ii. Export Grant program: goal and criteria
 - iii. Export grant program: results
 - iv. Export spotlight/example: JH Global
 - v. Export spotlight/example: Innovative Poultry Products
- IV. Subcommittee members ask questions pertaining to the topics presented. Agency representatives respond to the questions.

Conclusion

- I. There being no further business, the meeting is adjourned.

STUDY TIMELINE

The House Legislative Oversight Committee's (Committee) process for studying the Department of Commerce (agency) includes actions by the full Committee; Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee); the agency; and the public. Key dates and actions are listed below in Figure 1.

Legislative Oversight Committee Actions

- December 9, 2019 – Holds **Meeting #1** and prioritizes the agency for study
- January 15, 2020 - Provides the agency notice about the oversight process
- February 28 – April 1, 2020 - Solicits input about the agency in the form of an online public survey

Economic Development, Transportation, and Natural Resources Subcommittee

- March 4, 2021 - Holds **Meeting #2** to discuss the agency's vision; mission; director responsibilities; organizational structure; history; and general information about finances and employees
- March 11, 2021 - Holds **Meeting #3** to discuss agency deliverables related to TEAMSC, LocateSC, Community Development Block Grant, Appalachian Regional Commission, Applied Research Grant Program, Rural Development, and Regional Economic Development organizations
- May 12, 2021 - Holds **Meeting #4** to discuss agency deliverables related to marketing the state and project management
- May 27, 2021 - Holds **Meeting #5** to continue discussing agency deliverables related to project management and discuss deliverables related to incentives
- June 4, 2021 - Holds **Meeting #6** to discuss agency deliverables related to service after the sale.
- June 29, 2021 – Holds **Meeting #7 (TODAY)** to continue discussion of agency deliverables related to service after the sale and begin discussion of other agency duties.

Department of Commerce

- March 31, 2015 - Submits its **Annual Restructuring and Seven-Year Plan Report**
- January 12, 2016 - Submits its **2016 Annual Restructuring Report**
- September 2016 - Submits its **2015-16 Accountability Report**
- September 2017 - Submits its **2016-17 Accountability Report**
- September 2018 - Submits its **2017-18 Accountability Report**
- September 2019 - Submits its **2018-19 Accountability Report**
- March 13, 2020 - Submits its **Program Evaluation Report**
- September 2020 - Submits its **2019-20 Accountability Report**
- December, 2019 - Present - Responds to Subcommittee's inquiries

Public's Actions

- February 28 – April 1, 2020 - Provides input about the agency via an **online public survey**
- Ongoing - Submits written comments on the Committee's webpage on the General Assembly's website (www.scstatehouse.gov)

Figure 1. Key dates in the study process.

AGENCY SNAPSHOT

Department of Commerce

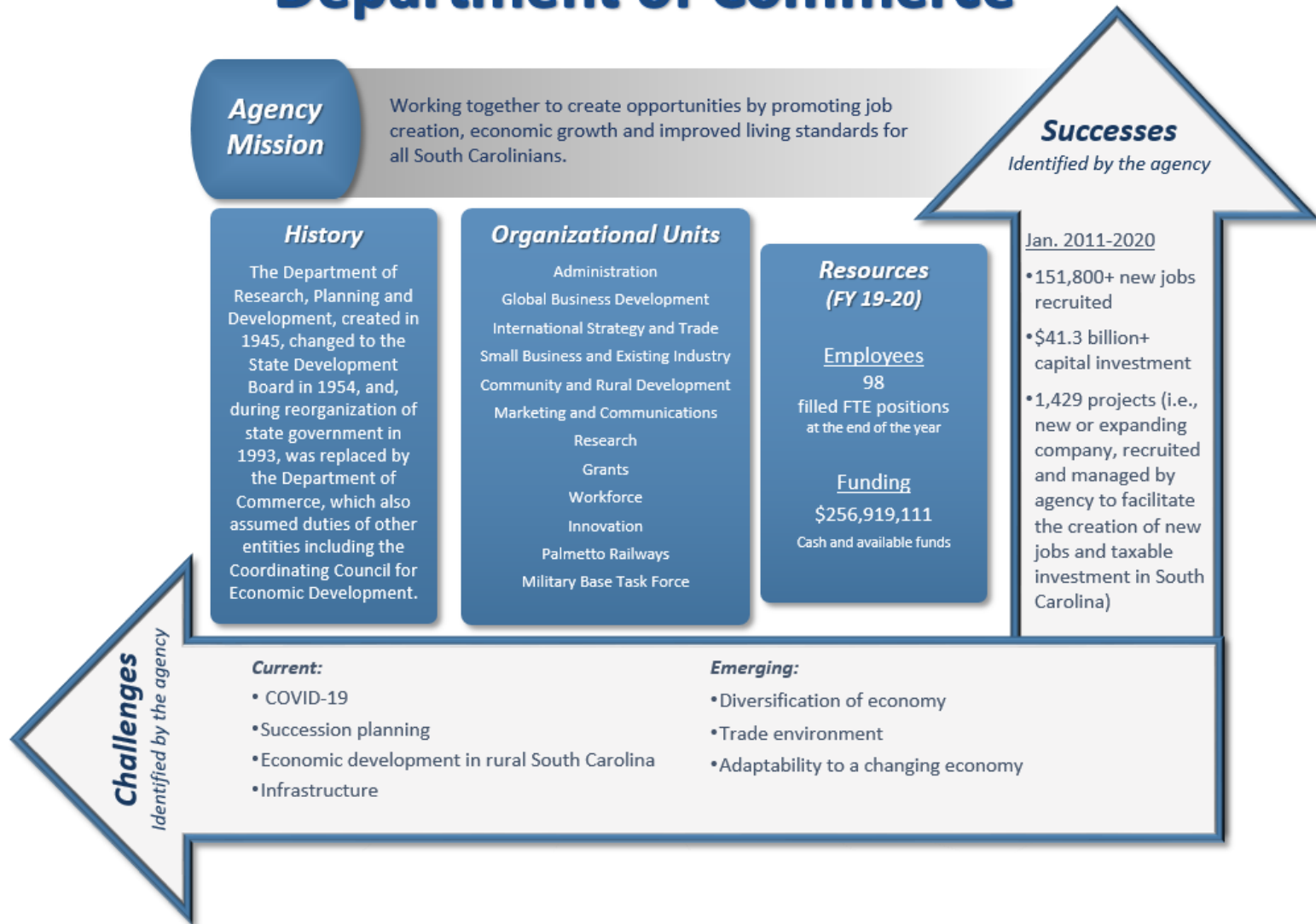


Figure 2. Snapshot of the agency's major organizational units, fiscal year 2019-20 resources (employees and funding), successes, and challenges.¹

AGENCY PRESENTATION – SERVICE AFTER THE SALE

Service After the Sale



South Carolina
Department of Commerce

Just right for business.

Service After the Sale: Business Services

Existing Industry (EI) Site Visitation

Supplier Outreach

Small Business

Innovation

Recycling Market Development

Export/Trade

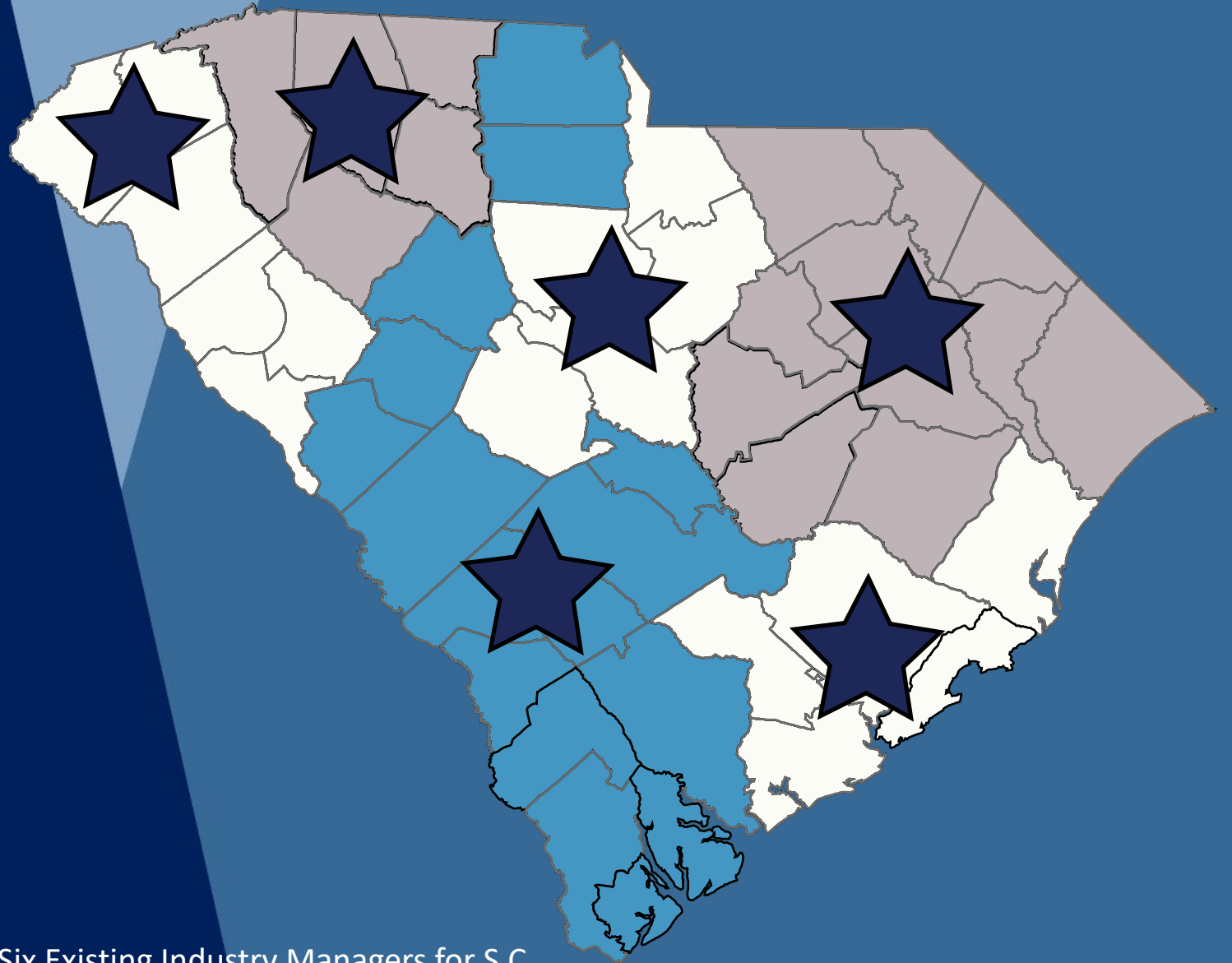
Workforce Development

Emergency Management/COVID-19 Support

Business Impact



Service After the Sale:
**Existing Industry (EI)
Site Visitation
Program**



*Six Existing Industry Managers for S.C.



Service After the Sale: Existing Industry Site Visit Program

GOAL: Assess the business need and identify solutions for improvement.

APPROACH

The Existing Industry team visits S.C. manufacturing companies to evaluate needs and coordinate resources to remedy production and profitability obstacles.

Types of lead generation:

- ✓ Local county
- ✓ Direct company contact
- ✓ Networking events and conferences
- ✓ Website inquiries
- ✓ Referral from industry sector partners

KEY SUPPORT AREAS

- ✓ Identify expansion opportunities
- ✓ Labor force challenges
- ✓ Training
- ✓ Production and quality resources
- ✓ Supplier identification



Service After the Sale: Existing Industry Site Visit Program

El visit

Assess the need

Identify solutions & make appropriate referral(s)

Follow-up

Resolved

Industry Roundtables



Service After the Sale: Existing Industry Site Visit Program

Key Industry Support Partners

Partners

- ✓ **The South Carolina Council on Competitiveness**

- ✓ **The S.C. Manufacturing Extension Partnership**

KEY SUPPORT AREAS

- ✓ Research
- ✓ Industry Cluster Support
 - Aerospace
 - Logistics
 - Cyber
- ✓ Education/Workforce
- ✓ Technical Assistance

We also work closely with the SC Automotive Council and SCBIO.



Service After the Sale: Existing Industry Site Visit Program

Manufacturing Visitations

2016-17
259

2017-18
382

2018-19
501

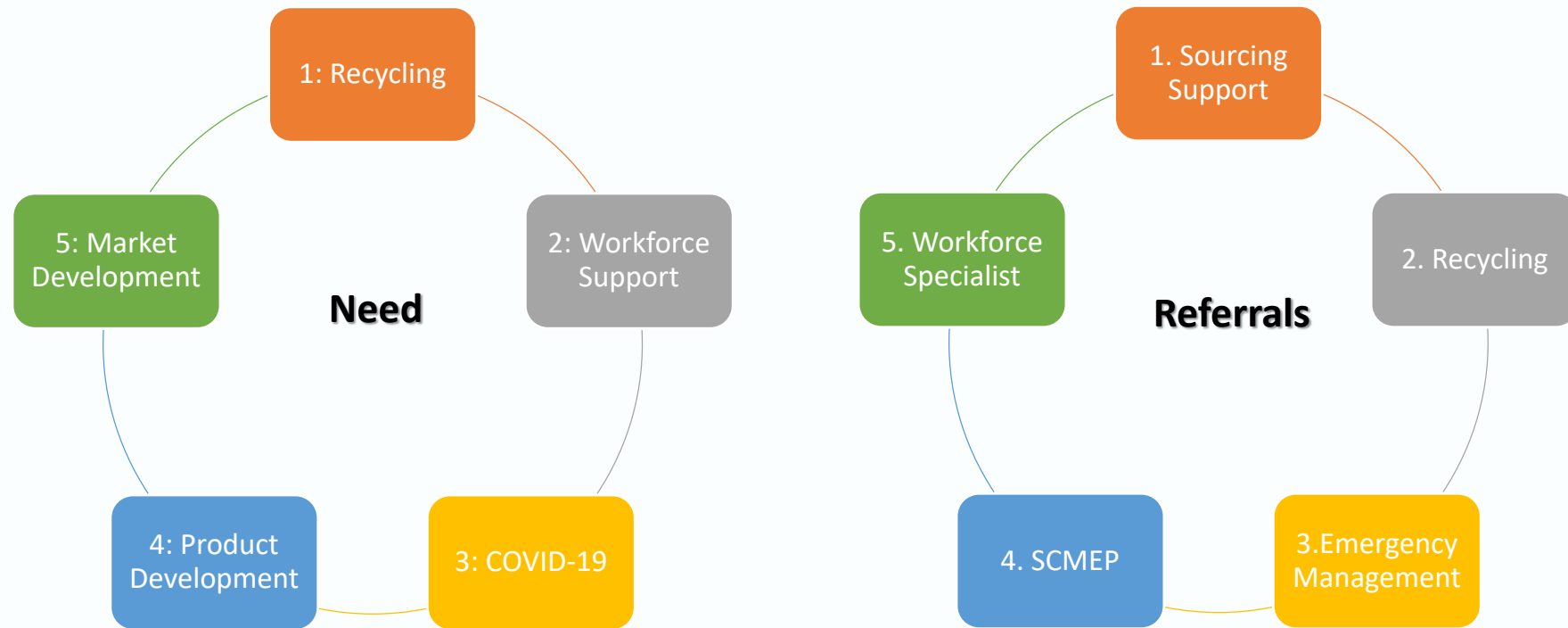
2019-20
778

(*Uptick in virtual visits due to
COVID-19 support *)

2020-current
530+



Top 5 Areas of Interest and Referrals by Existing Industry As of May 2021



Average Size Business Visited
100 employees or less



SC Manufacturing Extension Partnership (SCMEP)

Private, non-profit based in Greenville, SC

Assists SC manufacturers with a wide range of business solutions

Operates under the US Department of Commerce

6 Regional Vice Presidents (Technical Consultants)

Connected to an extensive network of Third Party Providers

Existing MOU agreement with Dept. of Commerce



Service After the Sale: Existing Industry Site Visit Program

Business Assessment and Support

Competitiveness Review (CR)

Comprehensive, on-site evaluation of the company's operations that appraises capabilities and gauges the effectiveness of business systems

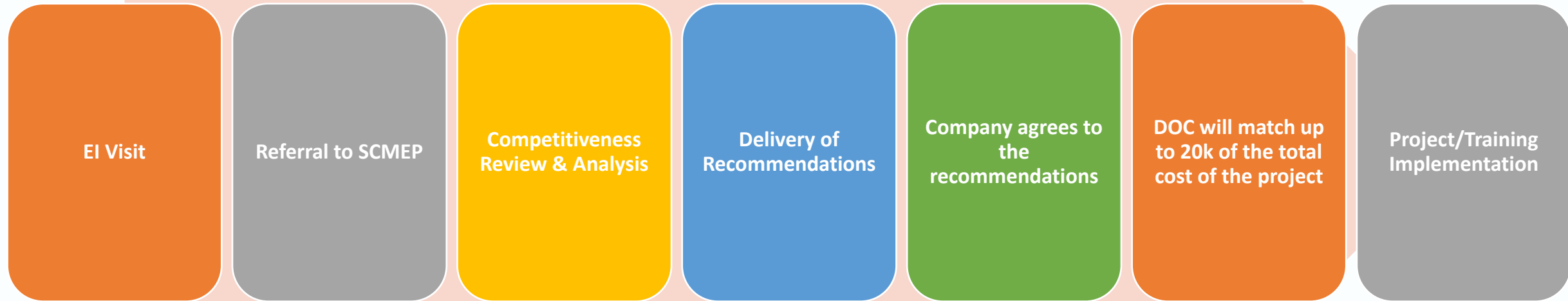
- No cost to the company
- Reveals (or confirms) limiting factors
- Provides a snapshot comparison to other companies
- Delivers a roadmap to improve business performance

Match Funding

- DOC provides match grant funding for company projects
- Limit \$20k per company per fiscal year
- Funding Percentages
 - Rural Counties - up to 90%
 - Under 20 Employees (any county) - up to 90%
 - Urban Counties - 20%-50% depending on # of employees



Service After the Sale: Existing Industry Site Visit Program



Service After the Sale: Existing Industry Site Visit Program

5 Most Common Areas of Need: Competitiveness Review Assessment

1) A need to increase sales revenues

- **Solution:** Propose entering into the Sales and Marketing Boost Program

2) Implementation of lean manufacturing

- **Solution:** Propose participation in lean manufacturing training to adopt new techniques

3) Lack of a strategic plan

- **Solution:** Strategic planning and policy development training

4) Workforce challenges centered around employee retention and recruitment

- **Solution:** Implementation of leadership development pathways and developing the talent pipeline

5) Registering to the appropriate international standard such as ISO9001 and AS9100

- **Solution:** Propose training resources that will help implement these standards and train employees within their operation, maintenance and auditing.



Service After the Sale: Existing Industry Site Visit Program

SC Manufacturing Extension Partnership (SCMEP)

Prepare manufacturers to implement a wide range of continuous improvement tools that provide sustainable results

January-December 2020 Impact Results

400 companies served

406 projects completed

7,099 new/retained jobs

\$90MM in New Sales

\$165MM in Cost Savings

\$2.5B in Retained Sales

Statewide Impact of \$3 Billion



Greenville County- Packaging Solutions

Situation: Company was looking for ways to improve competitiveness and productivity. One client made up 60% of total revenue (lack of diversification).

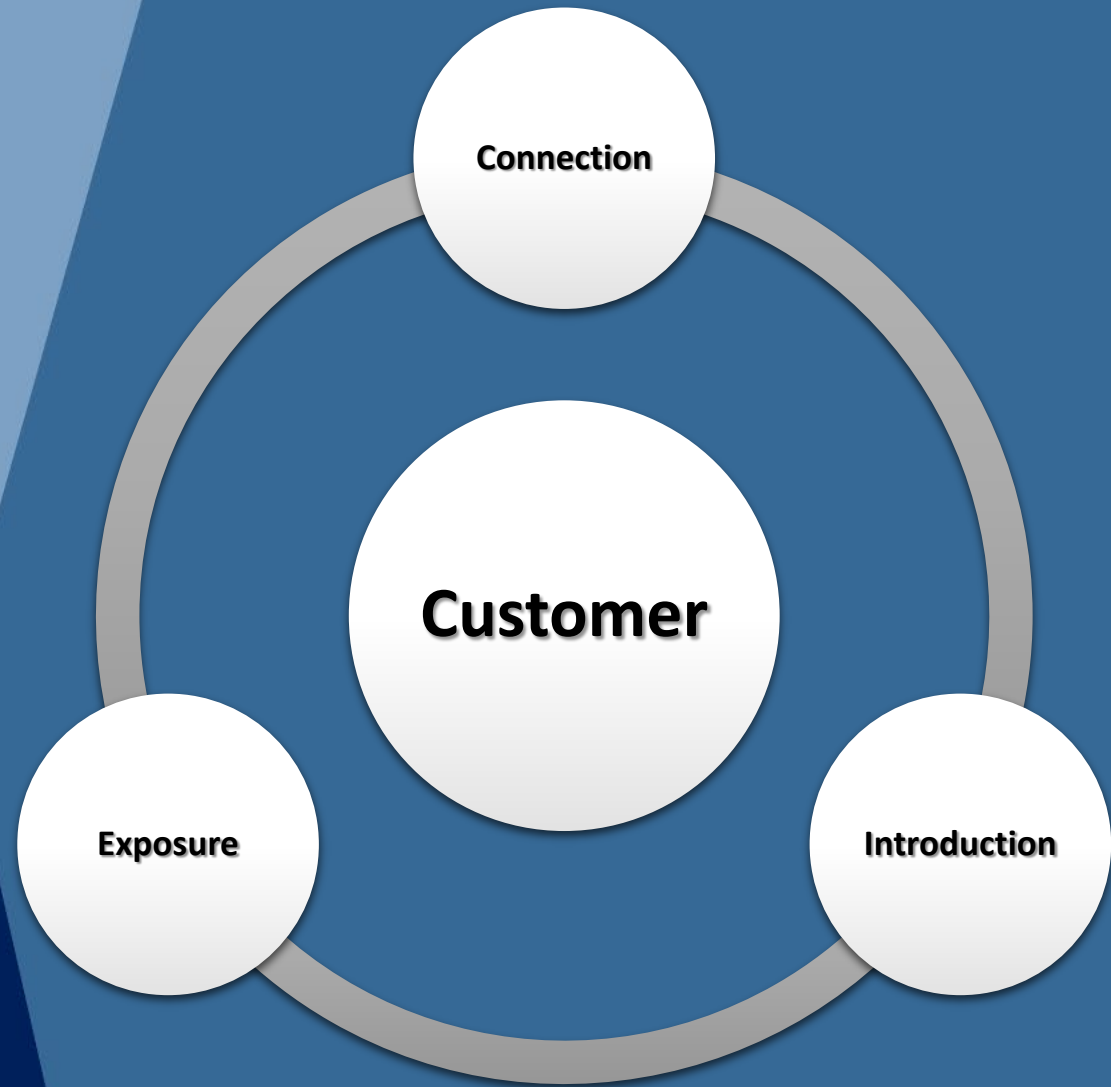
Solution: Enrolled and completed the Sales and Marketing Boost Program (6 training courses). As a result, the company has implemented a lead generation system and a new business development system.

Orangeburg County-Warehousing, Logistics & Distribution

Situation: Company needed assistance with increasing brand awareness and developing a loyal customer base.

Solution: Developed a new web presence, email marketing campaign platform and lead generation system.

Service After the Sale: Supplier Outreach



Video Overview



Service After the Sale: Supplier Outreach

GOAL: Support South Carolina companies large and small, new or existing, with any supplier needs they may have currently and ongoing.

APPROACH

The Supplier Outreach Team provides personalized sourcing and matchmaking for large manufacturing facilities.

By supporting the manufacturing community with supplier introductions for new construction, expansion and ongoing operational needs, we strengthen the SC business network.

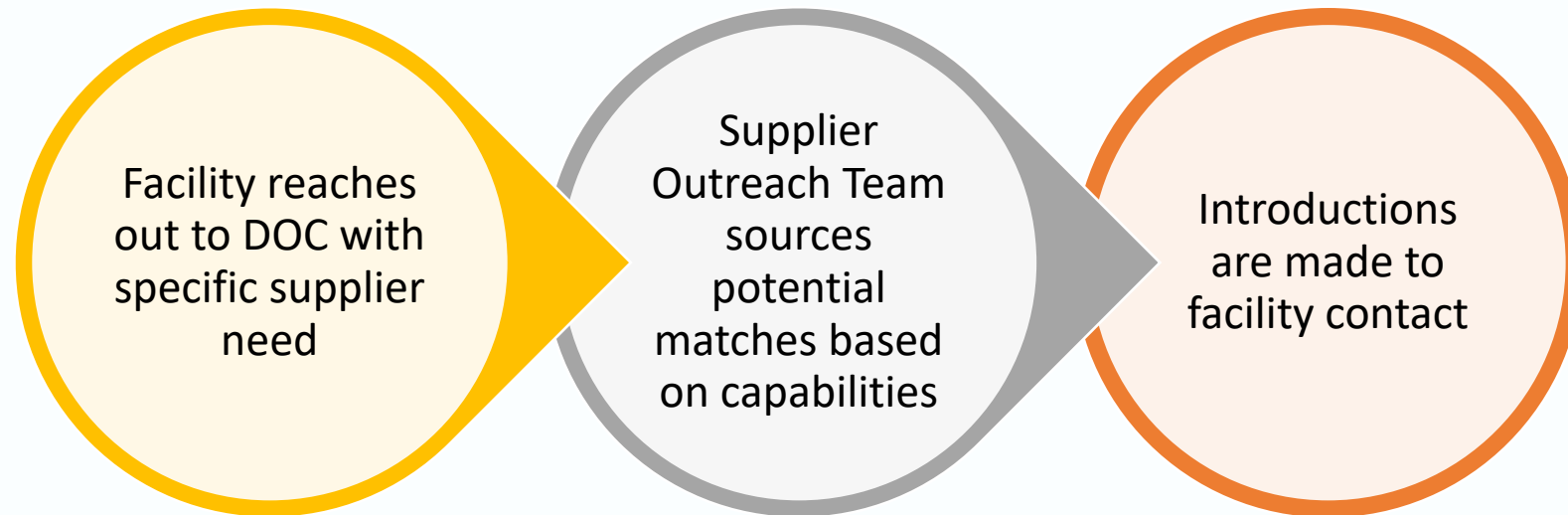
KEY SUPPORT AREAS

- ✓ Identify South Carolina Suppliers/
SourceSC Industry Directory
- ✓ Host B2B Matchmakers
- ✓ Host Supplier Outreach Events



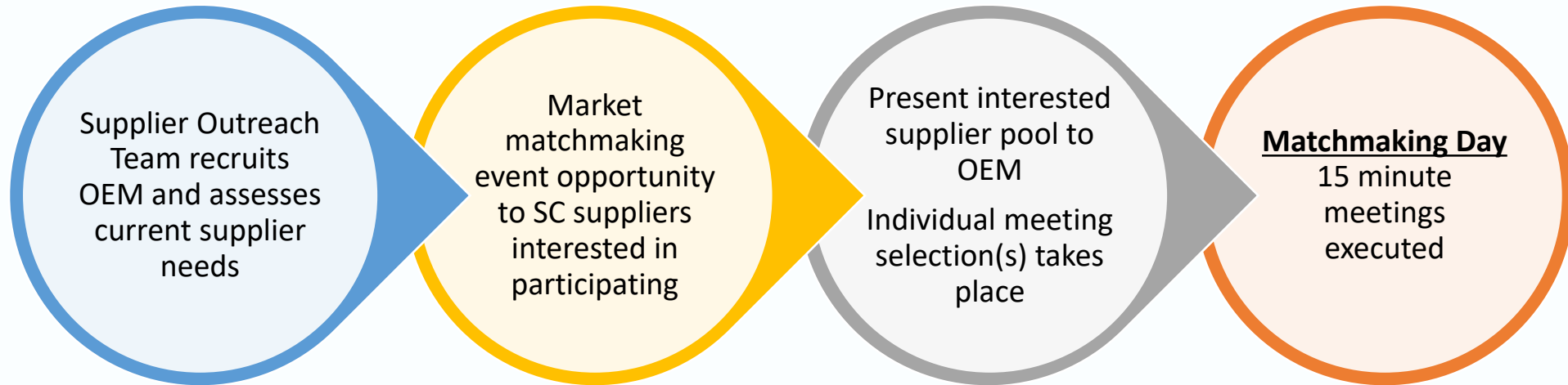
Service After the Sale: Supplier Outreach

Assist with identifying SC Suppliers



Service After the Sale: Supplier Outreach

Host B2B Matchmaker Events



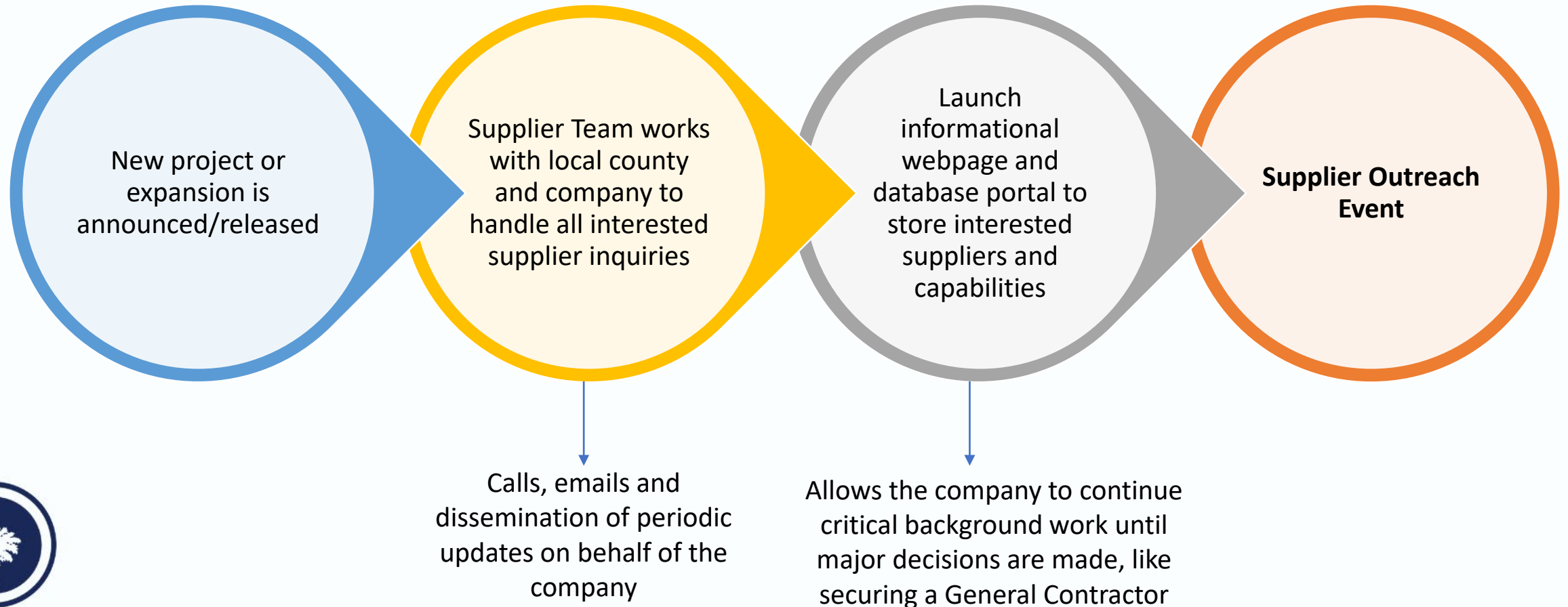
2019 & 2020 automotive matchmaking events generated 400+ meetings

May 2021
85 virtual meetings generated
(Due to COVID-19)

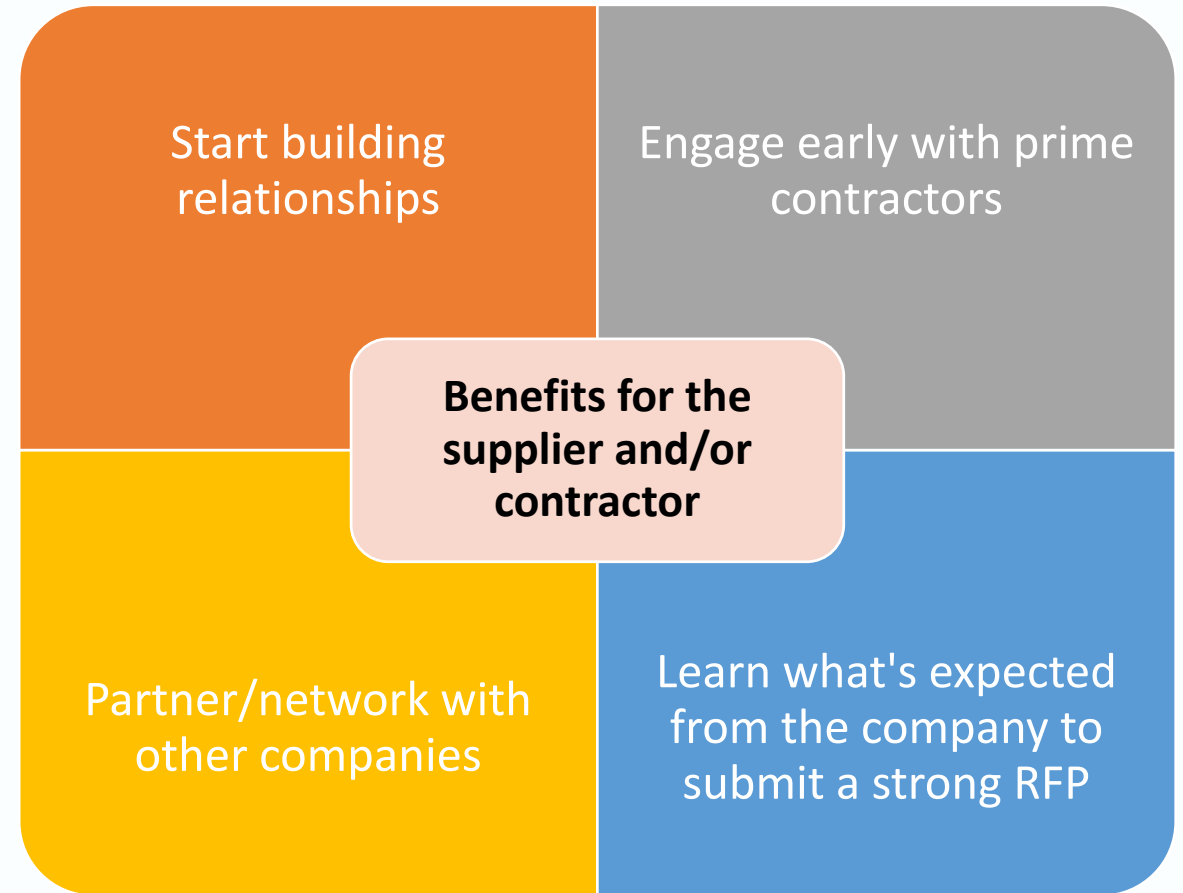


Service After the Sale: Supplier Outreach

Host Supplier Outreach Events



Service After the Sale: Supplier Outreach



Volvo Supplier Outreach Event Video



Service After the Sale: Supplier Outreach

of SC Companies that participated in SC Commerce hosted B2B/Outreach Events

2016-17
683

2017-18
581

2018-19
490

2019-2020
485

2020-current
500+



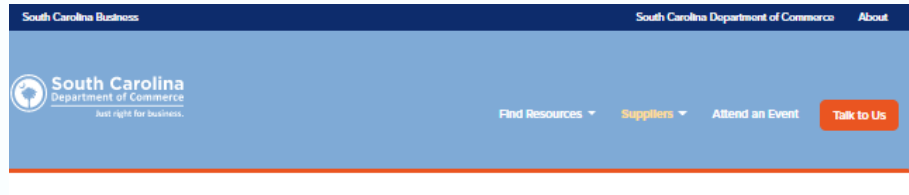
SourceSC Enrollment



www.sourcesc.com



Service After the Sale: Industry Directory



SourceSC Industry Directory

Our Industry Directory is a comprehensive listing of industry suppliers and vendors within the state. We have aggregated all the contact information in one easy-to-use resource.

Search more than 6,500 companies in South Carolina. The industry directory provides a comprehensive catalog of manufacturers, suppliers, vendors, distributors and other service-related businesses. Simply search by keyword or refine your query using the advanced criteria below.

Keyword Search

Enter your keywords and click Search

[Keyword Search](#)

Company Name

Company Industry Sector(s) / Markets Served

Company NAICS

Type of Operation

Business Classification

Is SourceSC Company

Number of Employees

Parent Company Country of Origin

County

[Search](#)

Data is based on company's response to SC Industry Survey, news sources or other research. [Submit changes](#) to this record.



SourceSC Industry Directory

Our Industry Directory is a comprehensive listing of industry suppliers and vendors within the state. We have aggregated all the contact information in one easy-to-use resource.

i Results for Keyword search: plastic

[New search](#)

248 companies found

[Download results](#)

Company Name	Industries	NAICS	Type of Operation	Number of Employees	Parent Company Country of Origin	County
ACE Environmental of SC, LLC (SC) - Pelzer	Recycling	423930 - Recyclable Material Merchant Wholesalers	Service	N/A	USA	Anderson
ACI Plastics South, LLC	Plastics & Rubber	325991 - Custom Compounding of Purchased Resins	Manufacturing	11-50	USA	Oconee
AEIPLUS, Inc.	Recycling	562920 - Materials Recovery Facilities	Service	N/A	USA	Not In SC
ATD Recycling	Recycling	562920 - Materials Recovery Facilities	Service	N/A	USA	Greenville
All Tech Solutions	Plastics & Rubber	326199 - All Other Plastics Product Manufacturing	Manufacturing	N/A	USA	Oconee
Alliance Plastics, LLC	Plastics & Rubber	326299 - All Other Rubber Product Manufacturing	Manufacturing	51-100	USA	York
Allnex USA, Inc. (SC) - Langley (formerly Cytec Industries, Inc.)	Plastics & Rubber	325211 - Plastics Material and Resin Manufacturing	Manufacturing	11-50	USA	Aiken
Allnex USA, Inc. (SC) - North Augusta	Plastics & Rubber	325211 - Plastics Material and Resin Manufacturing	Manufacturing	101-250	USA	Aiken
Alltrista Plastics, LLC (formerly Jarden Plastic Solutions)	Plastics & Rubber	326111 - Plastics Bag and Pouch Manufacturing	Manufacturing	251-500	USA	Greenville

Supplier Outreach Spotlight:

Automotive B2B 2019

Atlantic Tooling and Fabricating (Supplier) – Quinby, SC

“B2B’s really help you network. It helps you connect to people & companies that you may not normally have had exposure to.”

Draexlmaier Outreach Event 2018

Draexlmaier Supplier Team (Tier 1 Supplier) – Duncan, SC

“Out of the 30 suppliers present we anticipate following-up with 18 companies.”



Service After the Sale:

Small Business Development



Service After the Sale: Small Business Support

GOAL: Connect entrepreneurs and small businesses with resources to start, maintain and grow their business

APPROACH

The Small Business Support team can help small businesses connect with funding, local resources, buyers, even data and analytics to guide business decisions.

The **S.C. Small Business Development Centers** are a key partner for technical assistance.

KEY SUPPORT AREAS

- ✓ Serve as the statewide connectivity lead for small businesses
- ✓ Business Resource Hub
<https://scbizdev.sccommerce.com/>
- ✓ Support small business stakeholders who provide one-on-one technical assistance



Service After the Sale: Small Business

of SC Small Business Inquiries Addressed

2016-17
325

2017-18
491

2018-19
347

2019-2020
330

2020-current
620+

Inquiry received

SB Team assess the need

Deliver referral recommendation (s)

Referral introduction

Follow-up

Top 5 requests for resource assistance:

1. Available loan/grant programs
2. Business planning assistance
3. Business licensing and registration requirements
4. Opportunities for business development
5. Marketing/web presence

**Average Size Business Assisted
10 employees or less**



Service After the Sale: Small Business Partners

SC Small Business Development Centers (SBDC)

Lead statewide small business technical assistance provider

Lowcountry Local First/Good Enterprise Program (LLF)

Promote and develop local-independent business growth

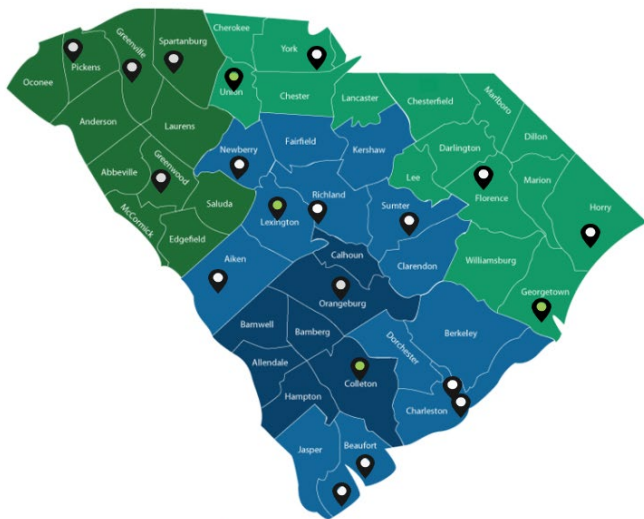
Minority Business Development Agency (MBDA)

Champion for minority-owned businesses in SC



Service After the Sale:

SC Small Business Development Centers (SBDC)



Non-profit organization

Provides no-fee consulting and training to assist small business owners and potential owners in starting and growing a successful business

SBDCs are created through a partnership between the U.S. Small Business Administration and local universities

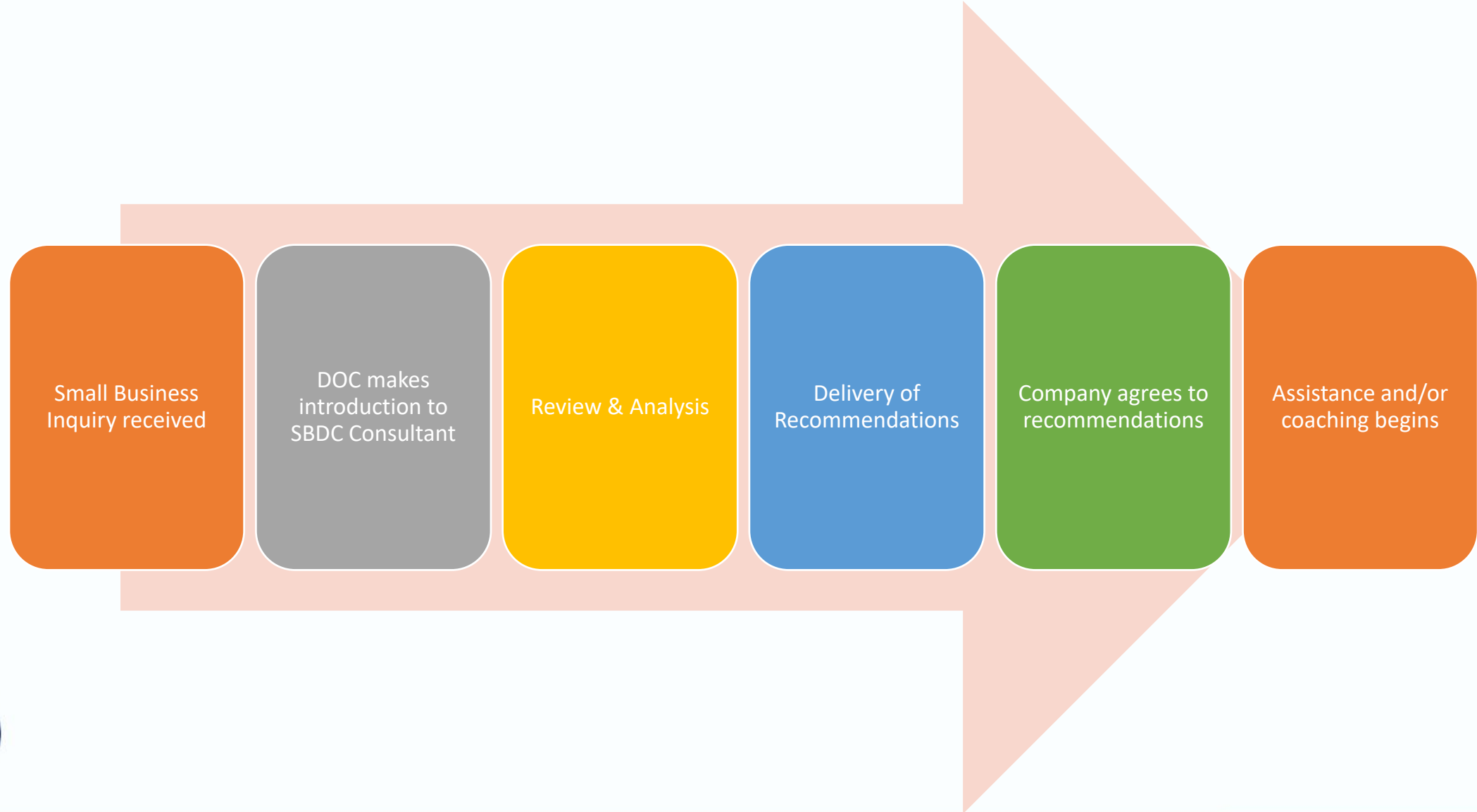
4 Regions –UofSC, Clemson University, SC State & Winthrop University

35 business consultants across the network

Existing MOU agreement with Department of Commerce



Service After the Sale: Small Business Development Centers



Service After the Sale: Small Business Development Centers

Suite of Services

- Start a New Business
- Grow an Existing Business
- Work with the Government
- Exporting
- Technology Commercialization
- Recovery Assistance
- COVID-19 Pandemic Support

2020 Statewide Services & Outcomes



Service After the Sale: Small Business Development Centers

Barber Tech Academy Orangeburg, SC



Aspiring academy owner visited the Orangeburg Area SBDC with the objective to open a barber training academy in Orangeburg.

Primary needs were obtaining financing to open the school and developing a strategy to receive accreditation.

SBDC consultant assisted with developing a comprehensive business plan, preparing financial projections and identifying a target market that could afford the training out-of-pocket. These students would sustain the business until the academy received its accreditation.

Today, Barber Tech Academy is considered one of the pillars of the Orangeburg community in the downtown area. The academy is fully operational, has grown from a 1400 sq. foot space to a 4200 sq. foot building.

Service After the Sale: **Innovation**



Service After the Sale: Innovation – 3Phase

The **3Phase Program**, in partnership with the **UofSC Columbia Technology Incubator**, assists companies with pursuing and successfully acquiring Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards.

Small Business Innovation
Research (SBIR)

Small Business Technology Transfer
(STTR)

US government programs, coordinated by the Small Business Administration, intended to help small businesses conduct research and development.



SBIR & STTR are congressionally-mandated research and development (R&D) funding programs (created in 1982).

SBIR & STTR are designed to help small businesses turn innovative ideas into market-worthy products.

SBIR & STTR have identical review criteria and processes.

STTR requires the small business to partner with a not-for-profit research institution in their proposal. SBIR does not have this requirement.

Service After the Sale: Innovation – 3Phase

Launched Feb. 2018

SBIR grants secured: \$7.5MM (12 total)

Proposals Awaiting Funding: 20 totaling \$8.9MM

Total Applications Received: 94

Total Applications Accepted: 87

Total Proposal Submissions: 66

Total Educational Outreach Workshops: 11

Total Consultation Hours: 3,245



Service After the Sale: Innovation – 3Phase

How it works?

Federal Gov't (investor) seeks to help a small business convert innovative technology into a marketable product

Significant milestones must be met before all money is awarded

SBIR and STTR Awards are broken into 3 phases

Phase 1 Objective: Proof of Concept

Phase 2 Objective: R&D

Phase 3 Objective: Pursue Commercialization



Service After the Sale: Innovation – 3Phase

SC small business reaches out to a state supported program (3Phase Team) to develop a proposal for a new technology and submit application.

Application is accepted...

SBIR or STTR Federal awarded for \$1MM over 2.5 years



Phase 0

- State sponsored programs provide awareness to increase participation and training on services
- Pre-proposal analysis
- Proposal preparation and submission

Phase 1

- Feasibility study (approx. 6 months)
- Studies require \$100k-150k in grant awards
- Once studies are complete, the remainder of the grant awards are issued

Phase 2

- \$750k-\$1MM awarded for two more years of research and development
- **Note:** Phase 1 and 2 awards complete the entirety of funding the government will provide

Phase 3

- Commercialization pursuit
- Companies that receive Phase 1 and 2 funding are now expected to raise capital to move their product towards commercialization (to market).
- **Note:** A commercialization strategy is required as part of the original application so the funding agency knows the SB has a credible plan to commercialize the product if R&D is successful.

Service After the Sale: Innovation – 3Phase



- Based in Charleston, SC
- Imaging technology firm
- Awarded a Phase 1 Grant to develop a 3-dimensional imaging technology using artificial intelligence
- Potential to be used in NASA telescopes



- Based in Anderson, SC
- Biotechnology firm
- Awarded a Phase 2 Grant to develop a degradable stent to include animal studies and the pilot of human clinical trials
- Minimize patient pain and anxiety

As of May 2021, South Carolina ranked #2 with a 30% SBIR success rating. The national average is 12%.



Service After the Sale: Innovation – The Relentless Challenge

The **Relentless Challenge Grant** solicits proposals for projects that focus on fostering technology-based economic development, entrepreneurship and innovation in South Carolina communities.

Competitive Grant for Incubators & Non-profits

The goal is **growth** and **sustainability**:

The grant seeks to help expand service portfolios and do it in a sustainable way.

Up to \$750k in competitive grants may be awarded.

Individual awards are up to \$75,000.

Dollar for dollar non-state match is required.



Service After the Sale: Innovation – Relentless Challenge Grant

Relentless Grant project proposals must address at least one or more of these goals:



Generate High-Growth Entrepreneurship

Accelerate innovation in the marketplace



Talent Development and Recruitment

Generate solutions for long-term workforce demands in tech sector



Unlock Risk Capital

Create networks for high-growth startups to tap into capital resources



Service After the Sale: Innovation – Relentless Challenge Grant

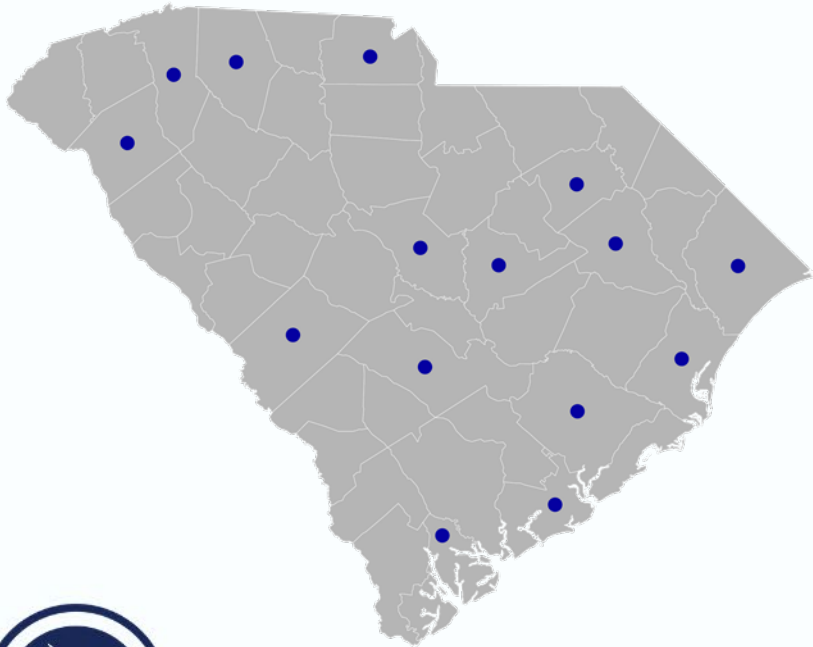
Investment Overview

2014-2021

\$6.5M+ Total Awards

40 projects

15 counties



Venture Carolina Greenville, SC

- 3 grants awarded totaling \$325,000
- Providing a comprehensive suite of workshops, curricula and conferences for entrepreneurs to learn about early stage funding and how private individuals can become angel investors

I.H.O.P.E Charleston, SC

- 1 grant awarded totaling \$55,000
- Developed I-HOPE Accelerator Pilot program aimed to increase the volume of high-scale minority owned startups
- Provide training, mentoring, minority certification assistance and access to venture capital

Rock Hill Economic Development Corporation Rock Hill, SC

- 4 grants awarded totaling \$675,000
- Launched Knowledge Park Center, an initiative to attract and grow tech business
- The organization has deployed a Technology Incubator, Talent Pipeline Apprenticeship Program, Winthrop University CreatorSpace and more

Service After the Sale:

Recycling Market Development



Service After the Sale: Recycling

GOAL: Support the economic growth of South Carolina's recycling industry through building recycling markets, increasing material recovery and promoting the recycling value chain.

APPROACH

The Recycling team works to strengthen existing and emerging recycling markets offering **direct business assistance** and **resolving recycling concerns** for manufacturers and recycling companies in South Carolina.

The **S.C. Department of Health & Environmental Control** is a key partner.

KEY SUPPORT AREAS

- ✓ Recycling/manufacturing company visitation & matchmaking
- ✓ Materials management consultation
- ✓ Recycling Markets Directory
- ✓ Recycling Market Development Advisory Council



Service After the Sale: Recycling Market Development



The screenshot shows the website's navigation menu with options: RECYCLING IN SC, HOME, BUSINESSES, RESIDENTS, RECYCLING MARKETS DIRECTORY (highlighted), RESOURCES, ABOUT US, and CONTACT. Below the menu is a large green graphic with a white recycling symbol. A yellow banner reads "RECYCLING DIRECTORY". The main content area is titled "Recycling Markets Directory" and includes a descriptive paragraph: "The South Carolina Recycling Markets Directory directory helps manufacturers keep valuable materials in motion by reducing waste and helping businesses meet sustainability goals. The platform showcases more than 300 South Carolina recycling companies, and it allows manufacturers to easily find recyclers in the area." Below this text are two search options: a "Category Search" section with two dropdown menus (one set to "Please Select A Category" and the other to "No Category Selected") and a "Keyword Search" section with a text input field labeled "Search by Keywords (City, County, Zip, Name, Types Recycled)". To the left of the map is the "SC RECYCLING MARKETS DIRECTORY" logo, which features a circular icon with a recycling symbol, a truck, and a factory, and the tagline "Connecting Materials to Markets". To the right is a map of South Carolina with a "Map" tab selected.

The South Carolina Recycling Market Development team launched an online tool called the SC Recycling Markets Directory. The directory helps manufacturers keep valuable materials in motion by reducing waste and helping businesses meet sustainability goals. The platform showcases more than 300 SC recycling companies, and it allows manufacturers to easily find recyclers in the area.

<http://www.recyclinginsc.com/directory>



Service After the Sale: Recycling Market Development

Recycling industry inquiries addressed by the Recycling Team

2016-17

263

2017-18

322

2018-19

263

2019-2020

231

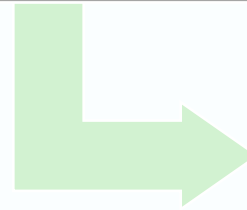
2020-current

200+

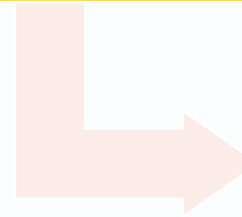
Waste stream need discovered during a EI or partner visit



Referral made to Recycling Team



Recycling Team assesses the need



Connection made to a recycler



Company Spotlight: WP Rawl (Lexington County)

Company Overview

Vegetable grower, shipper and processor.

Situation

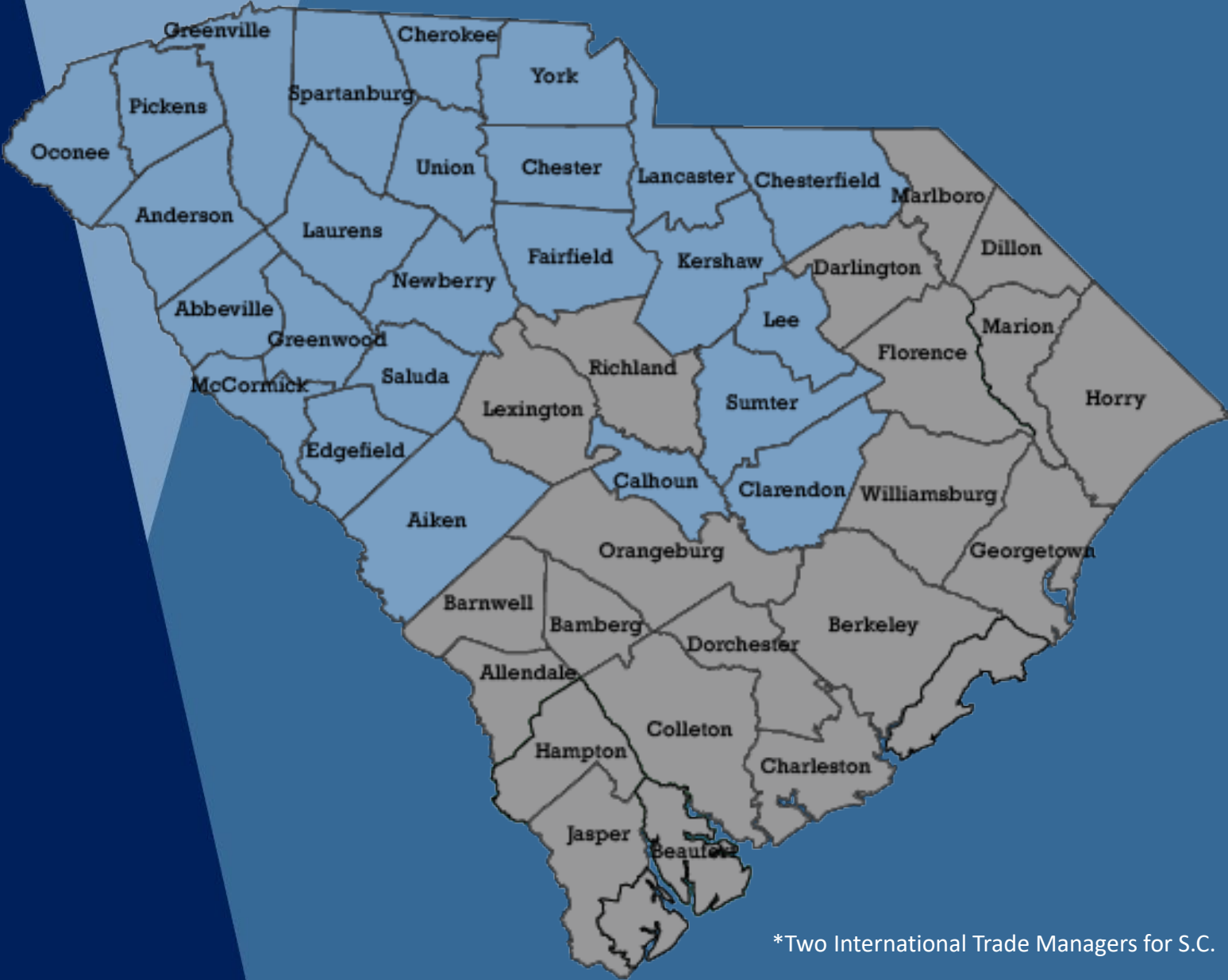
The company discontinued a product line which led to one semi-trailer load of plastic clamshell, which is made out of the same plastic that is used in water or soda bottles.

Solution

Recycling staff connected them with a variety of companies that ultimately included Sonoco Recycling. Sonoco, a global packaging company, took the clamshell material for recycling (reuse) and transformed it into new strawberry or blueberry plastic clamshell containers.



Service After the Sale: **Export**



*Two International Trade Managers for S.C.



Service After the Sale: Export Support

GOAL: Increase the number of new-to-export companies in the state and expand export markets for existing South Carolina exporters.

APPROACH

The Export Team serves as the statewide lead to grow the number of South Carolina companies that export products and services globally.

Companies that export:

- Increase sales and profits
- Create more jobs
- Diversify risk by selling in multiple markets
- Pay higher wages

KEY SUPPORT AREAS

1. Provides **export counseling** and **technical assistance** support.
2. Conducts **export training** seminars throughout the state.
3. Provides customized **B2B meetings** for S.C. companies through trade missions.
4. Supports companies to **exhibit at international trade shows**.
5. Facilitates **grant reimbursements** to support small-to-medium sized exporters.



[Trade Promotion Video](#)

Service After the Sale: Export Support

Export Training

Goal: Increase the number of South Carolina companies trained in export processes and procedures.

S.C. Commerce is the lead export training entity in the state



of Attendees

Supporting Existing Industry by opening up new markets, complying with export regulations and providing market intelligence.

2016-17
243

2017-18
183

2018-19
248

2019-2020
185

2020-2021
116

“The training provided by SCDOC has been vitally important for HeliBasket LLC. At the time we were in negotiations with a new Canadian customer, I attended the USMCA webinar, which provided important information that enabled me to speak knowledgeably with the customer and develop a solid plan for exports to that market. We now have customers in Canada, Japan, Spain, England, and Brazil, just to mention a few of the countries we serve.”

– Greg Hilewitz, General Manager, HeliBasket

Service After the Sale: Export & Trade

Export Grant Program Criteria

GOAL: To help small and medium-sized businesses enter new markets and/or increase their exporting activities.

- **Meet the U.S. SBA's definition of a small business.**
- **In business for at least two years.**
- **Currently operating at a profit.**
- **Headquartered in S.C. or manufacturing in S.C. with at least 51% U.S. content and 25% S.C. content.**
- **Currently have an export/market-ready product.**
- **Demonstrate an understanding of the costs associated with exporting and doing business with foreign purchasers.**
- **In good standing with S.C. Department of Revenue or the IRS and able to certify eligibility for federal grants.**
- **Companies that receive funding must be willing to report export sales data.**



EXPORT GRANT PROGRAM



Exhibit Space

Qualifying companies can receive up to \$6,000 in reimbursement toward booth costs associated with exhibiting on their own at a virtual or in-person trade show with an international focus.



Travel

Qualifying companies can receive up to \$3,500 in reimbursement toward eligible flight and lodging cost for travel associated with exhibiting at a trade show or select trade missions.



Export Services

Qualifying companies can receive up to \$2,000 in reimbursement toward services which aid them in reaching foreign markets. Eligible services include virtual and in-person B2B matchmaking.



Website Localization & E-Commerce

Qualifying companies can receive up to \$6,000 in reimbursement toward fees associated with digital marketing and e-commerce. Eligible services include the design/creation of websites localized to foreign markets and digital ad fees.

Export Grant Program Results (2015-2020)

of Export Grant Awards
220

Average # of Employees
64

New Markets Entered
70+

Export Sales
\$138 million

Export Spotlight: JH Global



About:

- Located in Greenville County
- Manufacturer and distributor of low-speed electric vehicles and accessories
- 60 employees
- Women-owned business

Export Grant Program:

- Began receiving export assistance in 2015
- Exhibited at trade shows in Caribbean, Middle East and India
- Participated in export training workshops

Results:

- Entered new markets in 20+ countries
- Held its first international dealers meeting in Dubai
- Recipient of SC Export Achievement award
- 2021 expansion plans

“We are very appreciative of the support from the South Carolina Commerce Department, and we will continue to put forth our best efforts to grow JH Global internationally.”

- Jane Zhang, CEO



Export Spotlight: Innovative Poultry Products



About:

- Located in Bamberg County
- Manufacturer and distributor of trolley system for the poultry industry
- 8 employees

Export Grant Program:

- Began receiving export assistance in 2017
- Participated in trade shows and state trade missions to Panama and Colombia
- Participated in export training workshops

Results:

- Entered the Canadian market
- Expanded facility in 2019

“The team from SC Commerce really held our hand as we introduced the Poultry Hawk® overseas. They set up and attended meetings on our behalf in Colombia and Panama. We are so grateful for all their guidance.”

- Chad Brubaker, President



Service After the Sale:

Workforce Development



SOUTH CAROLINA WORKFORCE ECOSYSTEM

Advocacy, Engagement, Recruitment and Job Placement	Education, Training and Labor Market Data
<p>1) SCDEW/SC Works System Partners (Local Workforce Development Board, DSS, Vocational Rehabilitation)</p> <ul style="list-style-type: none"> - Job Recruitment - Job Placement 	<p>1) South Carolina Technical College System</p>
<p>2) SC Department of Commerce</p> <ul style="list-style-type: none"> - Regional Workforce Advisors (RWAs) - Coordinating Council for Workforce Development (CCWD) - Talent Management with Existing Industry 	<p>2) Apprenticeship Carolina/Youth Apprenticeship</p>
<p>3) SC Future Makers (an initiative through the SC Manufacturers Alliance)</p>	<p>3) On-the-Job Training (OJT)</p> <ul style="list-style-type: none"> - SC Works - Vocational Rehabilitation - Department of Social Services
<p>4) SC Department of Veterans Affairs (Transitioning Military/Veterans)</p>	<p>4) Incumbent Worker Training</p>
<p>5) SC Chamber of Commerce</p>	<p>5) SC Manufacturing Extension Partnership (SCMEP)</p>
<p>6) SC Council on Competitiveness & SC Bio</p>	<p>6) ManuFirstSC</p>
	<p>7) SC Power Team</p>

SC Commerce Workforce Initiatives

Regional Workforce Advisors (RWAs)

- The 12 RWAs bridge gaps at the local level between educators, students and the business community to develop the necessary workforce.

Talent Management Services

- Working with existing industry to assess workforce needs and providing resources to address recruitment and retention.

Coordinating Council for Workforce Development (CCWD)

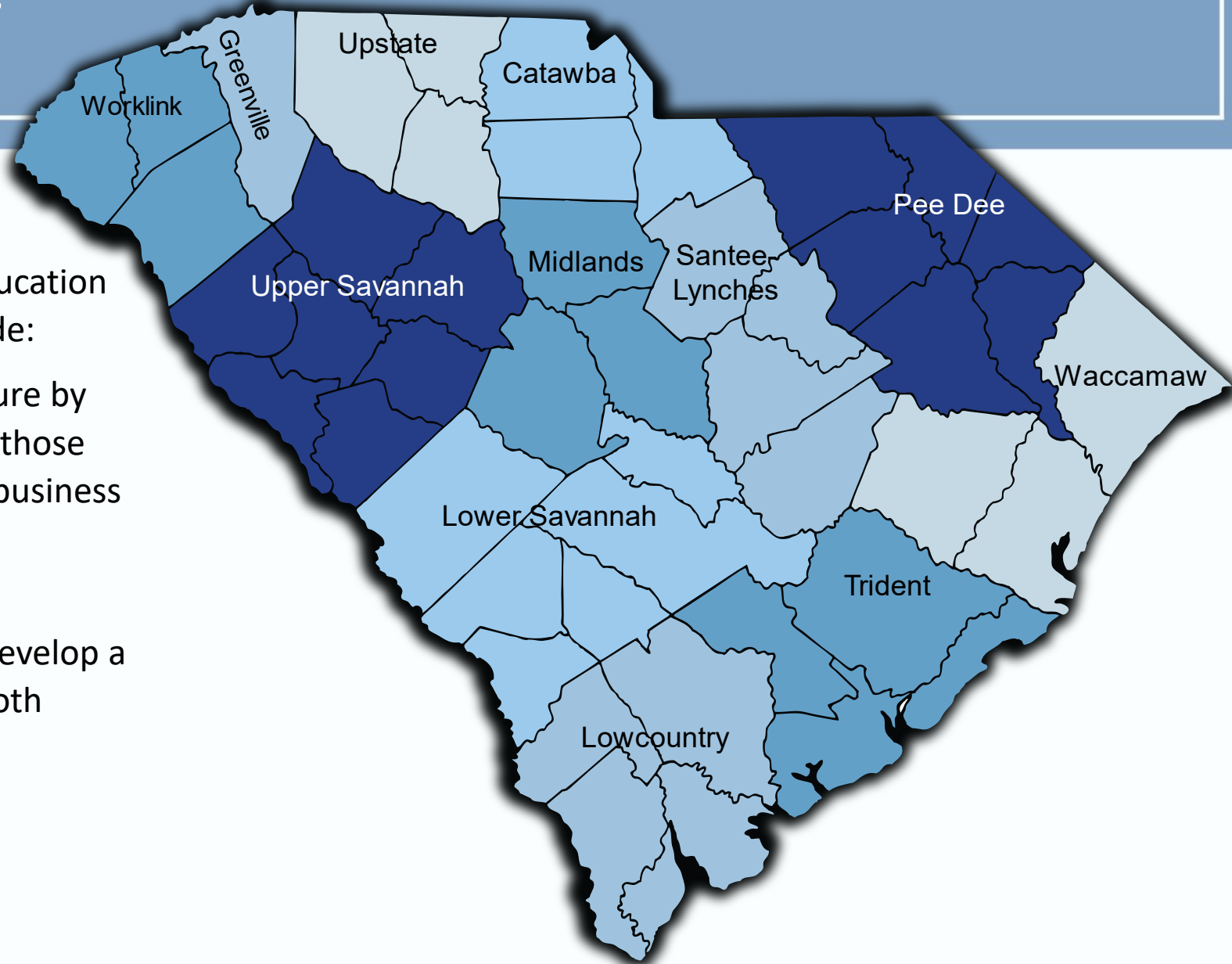
- Advocating through the work of the CCWD, including legislative engagement and interagency data sharing, in order to prepare and train workers to meet current and future workforce needs.



Regional Workforce Advisors (RWAs)

As the translators between business and education for talent development, RWA services include:

- Helping to create a workforce of the future by bridging gaps at the local level between those who educate students and those in the business community;
- Connecting students to future career opportunities and higher education to develop a workforce that will meet the needs of both existing and prospective industry.



Regional Workforce Advisors (RWAs)

RWAs serve their regions through a number of services:

- Career Development Facilitator training for educators and counselors
- Coordinate career fairs, business/industry showcases and tours
- Implement Educators in Industry initiatives
- STEM Educator Days
- Supporting college application days
- Boeing Days



Example of RWA Engagement: SC Boeing Days



- Boeing visits engage all members of the community to educate them about the aerospace industry, careers in aerospace and advanced manufacturing and Boeing's SC supplier network.
- Boeing has visited all 46 counties and started a second round of trips in 2018/2019 until COVID hit.
- Boeing has partnered with our RWAs to host virtual engagements in 2020/2021. These innovative efforts have reached 257,734 participants to include:
 - educators,
 - teachers,
 - students,
 - parents/family members.



Regional Workforce Advisors (RWAs) Engagement

Number of educators
receiving information,
resources and services

2017-18

9,529

2018-19

7,303

2019-20

8,993

Number of students
receiving information,
resources and services

2017-18

78,350

2018-19

49,734

2019-20

62,442



Talent Management Services

OBJECTIVE: Support existing industry by identifying workforce challenges, providing resources and solutions and connecting companies with other appropriate partners in the state's workforce ecosystem as applicable.

Talent Management Services provide:

- Concierge style resource to supporting recruitment and retention for existing South Carolina industries;
- Structured problem solving methodology to drive improvements to workforce challenges;
- Utilization of collaborative efforts with SC Commerce resources and state workforce partners;
- Up-to-date, relevant knowledge of South Carolina in-demand workforce skills.



Talent Management Services: Example

TD Bank Workforce Solutions (Greenville and Lexington locations)



- Assisted the Greenville County Call Center with demographic data and identified schools with large Hispanic populations to increase the bilingual customer service workforce.
- Provided the Lexington Data Center occupational data by place of residence to better target online advertising for job positions.
- Hosted community workforce partner events at TD Bank to provide an overview of alternative talent pipelines.



Coordinating Council for Workforce Development (CCWD)

Advocate for the talent in South Carolina.

CCWD – Mission and Advocacy

- Created Strategic Partners and Business Advisory Groups to provide feedback on all Council activities and decisions.
- Established partner consensus for developing a statewide comprehensive workforce plan.
- Makes recommendations to the General Assembly concerning matters related to data sharing, a comprehensive workforce plan and coordination among workforce partners.

CCWD - Data and Initiatives

- Coordinated with CCWD member agencies to develop language for an interagency integrated data system legislation.
- Created a first-of-its kind South Carolina Workforce Dictionary documenting terminology, acronyms and other important workforce system language.
- Created Regional Workforce Snapshots to centralize education, workforce and economic development data through one published resource.



ManuFirstSC



ManuFirstSC


- A public-private initiative between Volvo Cars, the South Carolina Department of Commerce, Trident Technical College, readySC and Berkeley County.
- The certificate's strength originates from employers accepting it in lieu of one-year of manufacturing work experience.
- Qualifying any individual with a certificate as meeting the minimum requirements to apply for employment.
- Volvo Cars was first SC company to accept the ManuFirstSC certificate, motivating regional adoption.











ManuFirstSC

- Engaged over 2,200 citizens through community-hosted events.
- More than 1,200 certificates issued state-wide to date.
- The certificate has been adopted by Mercedes-Benz Vans, BMW suppliers and over 85 manufacturers in Dorchester County.



 **CHOOSE YOUR PATH TO A MORE REWARDING JOB IN SOUTH CAROLINA MANUFACTURING.**

PATH #1	PATH #2	PATH #3	PATH #4
High School Diploma / Equivalency	High School Diploma / Equivalency or HS Senior		
 Manufacturing Experience	 Manufacturing Experience	SIGN UP FOR: Career Readiness Courseware Resume Assistance Other Workshops	SEEKING: HS Equivalency
 readysc™ a division of the SC Technical College System	 TRIDENT TECHNICAL COLLEGE	Sign up for Free   SC WORKS	ADULT EDUCATION

A BETTER JOB IS WAITING. START TODAY.

NON MANUFACTURING: Interested in a different type of journey, not sure where you fit, or need other assistance? > **PATHFINDERS**

Service After the Sale:

**Emergency
Management
(ESF-24)**



Service After the Sale: Emergency Management

GOAL: Minimize downtime for Business & Industry in the event of a disaster.

APPROACH & KEY SUPPORT AREAS

Pre-and post-disaster SC Commerce is the coordinating agency (via ESF24) to assist companies with the following :

- ✓ Activation of a 24/7 ESF24 hotline for Business & Industry
- ✓ Business Re-entry Program
- ✓ Collection point for business operational status, damage assessment and needs
- ✓ Preparation, contingency and continuity planning for a disaster

PRIMARY PARTNERS

- ✓ SC Emergency Management
- ✓ SC Department of Administration
- ✓ SC Department of Agriculture
- ✓ SC Department of Employment and Workforce
- ✓ SC Department of Insurance
- ✓ SC Department of Parks, Recreation and Tourism
- ✓ SC Insurance Association
- ✓ SC Manufacturing Alliance (SCMA)
- ✓ SC Office of the Commissioner of Banking
- ✓ SC Retail Association
- ✓ SC Business Development Centers (SBDC)
- ✓ SC Chamber of Commerce
- ✓ Clemson-University Livestock-Poultry Health (CULPH)



Service After the Sale: Emergency Management



SCEMD

SIGN UP FOR CODE RED ALERTS

CONTACT SCEMD



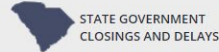
WHO WE ARE

STAY INFORMED

PREPARE

RECOVER

EM PROFESSIONALS



Columbia, SC



91°



ZONE FINDER



MAKE A PLAN



EMERGENCY SHELTERS



CLOSINGS & DELAYS

Virtual Business Emergency Operations Center

CLICK FOR LATEST DISASTER INFORMATION



A large-scale disaster anywhere in the state could disrupt normal operations and affect employees of any business. Every business in South Carolina should have continuity and safety plans in place prior to a major incident.

TWEETS BY @SCEMD

RT @scdhec: Today, DHEC announced 322 new cases of COVID-19 (192 confirmed, 13 probable), 10 new deaths (10 confirmed, 0 probable), and 9 hours

BUSINESS REENTRY



BUSINESS CONTINUITY PLANNING AND EVENTS



FINANCING



STATEWIDE BUSINESS PARTNERS



LISTSERV SUBSCRIPTION



RESOURCES



KNOW YOUR ZONE

Know how your area will be affected during a storm.

CLOSINGS & DELAYS

Near your location.

MAKE A PLAN

Create a plan to help ensure safety during an emergency.

EMERGENCY SHELTERS

Near your location.

Service After the Sale: COVID-19 Business Support

**Timeframe:
March 2020-March 2021**

Business Designation Clarification Process: 6,700 businesses assisted

Mass Gatherings Exception Process: 1,690 applications reviewed, in consultation with DHEC, and processed.

Manufacturing Support: 293 businesses assisted

Recycling Support: 179 businesses assisted

Small Business: 350+ businesses assisted

Supplier/PPE Sourcing: 130 businesses assisted



Business Impact Survey Summary



*Measuring the impact of in-house programmatic services to SC
businesses*



Service After the Sale: Business Impact Survey Summary

Companies, within a selected time period, who received direct assistance from the Existing Industry, Small Business, Supplier Outreach & Recycling Programs were contacted.

Fall of 2019 and Spring of 2021 Survey
2020 survey was not issued due to COVID-19

Data is used internally to re-evaluate program offerings and shared with agency/industry partners.



Service After the Sale: Business Impact Survey Summary

2019 Business Impact Survey

83 company responses

30% response rate

Timeframe: July 1st-Oct. 31st

2019 contacts

(Survey conducted December 2019)

Breakdown of respondents:

Manufacturers-42%

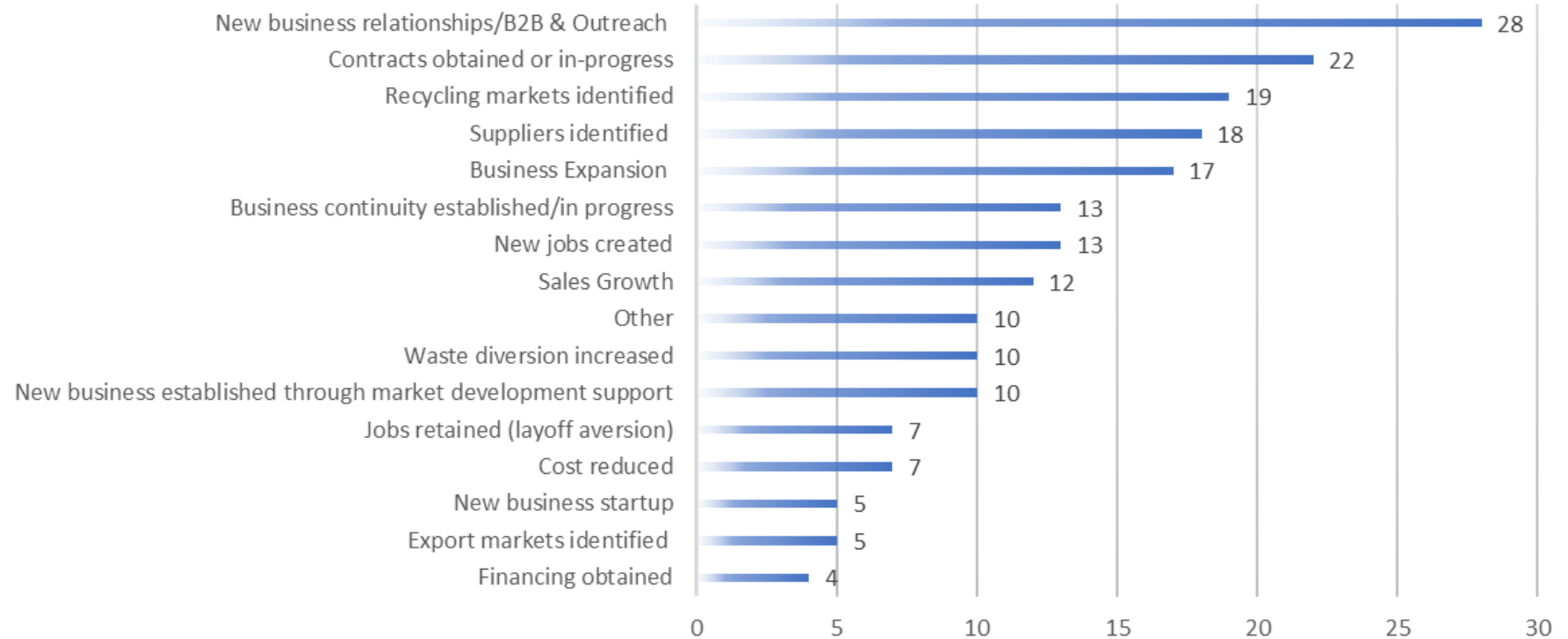
Small Businesses-28%

Recycling-15%

Identified as other-15%

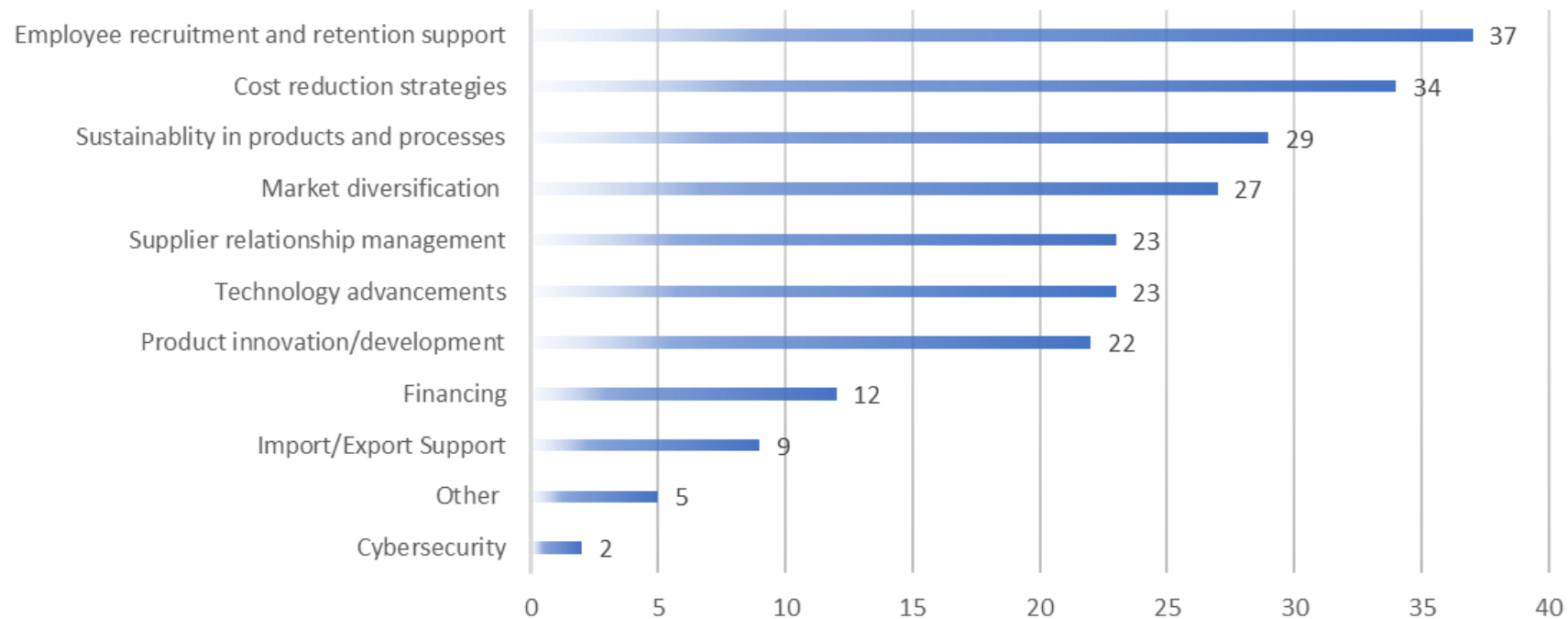


DIRECT IMPACT TO YOUR COMPANY AS A RESULT OF DOC PROGRAM RESOURCE CONNECTIONS



Service After the Sale: Business Impact Survey Summary

WHAT DO YOU SEE AS THE MOST IMPORTANT STRATEGIC OPPORTUNITY/CHALLENGE FOR YOUR COMPANY?



Service After the Sale: Business Impact Survey Summary

2021 Business Impact Survey

107 company responses

5% response rate

Timeframe: April 1st -

December 31st 2020 contacts

(Survey conducted March 2021)

Breakdown of respondents:

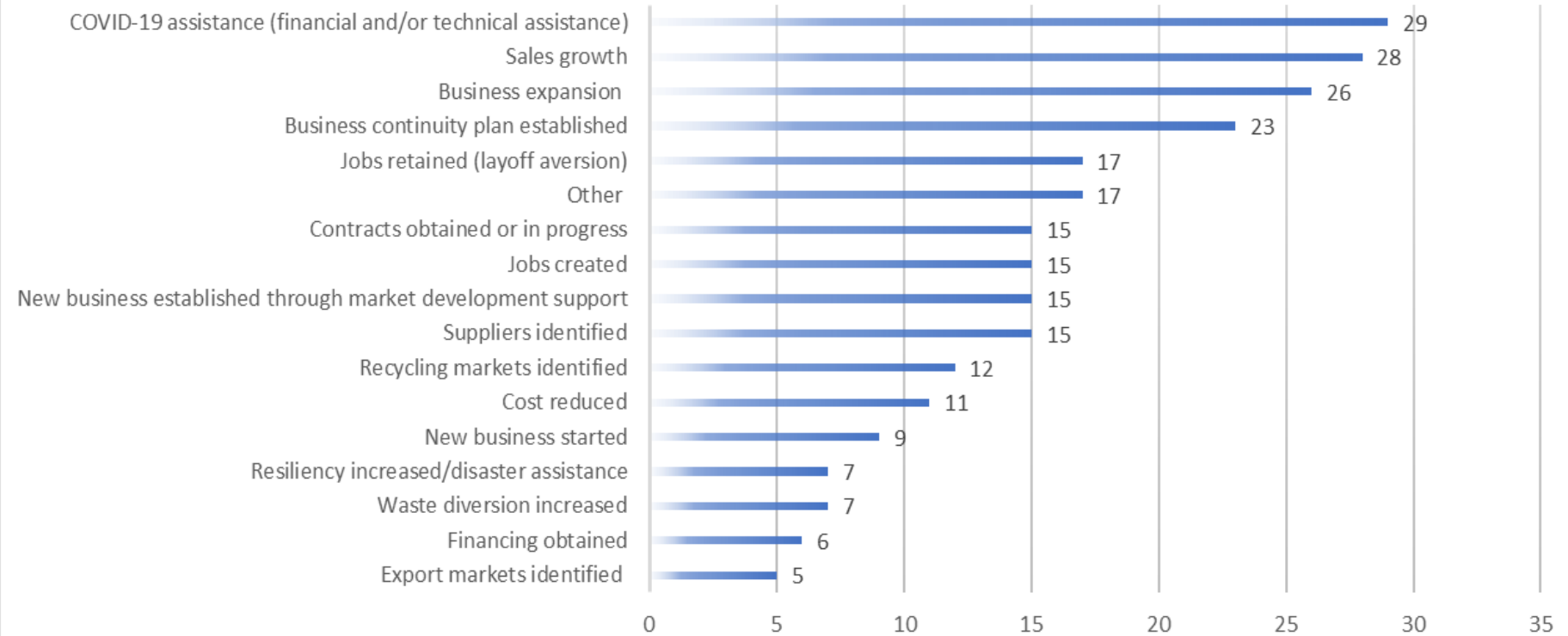
Manufacturers-47%

Small Businesses-38%

Recycling-8%

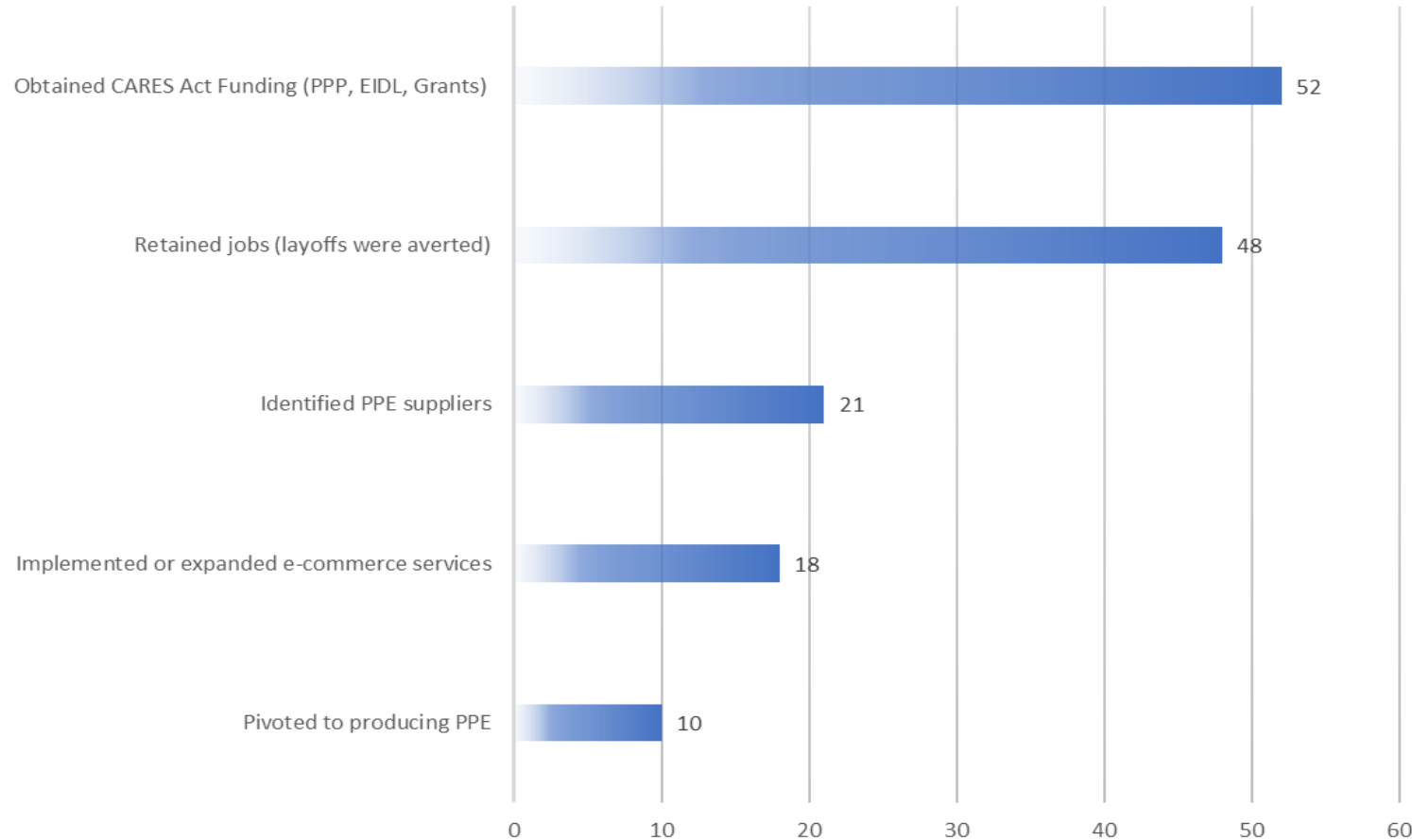
Identified as other-5%

DIRECT IMPACT TO YOUR COMPANY AS A RESULT OF DOC PROGRAM RESOURCE CONNECTIONS



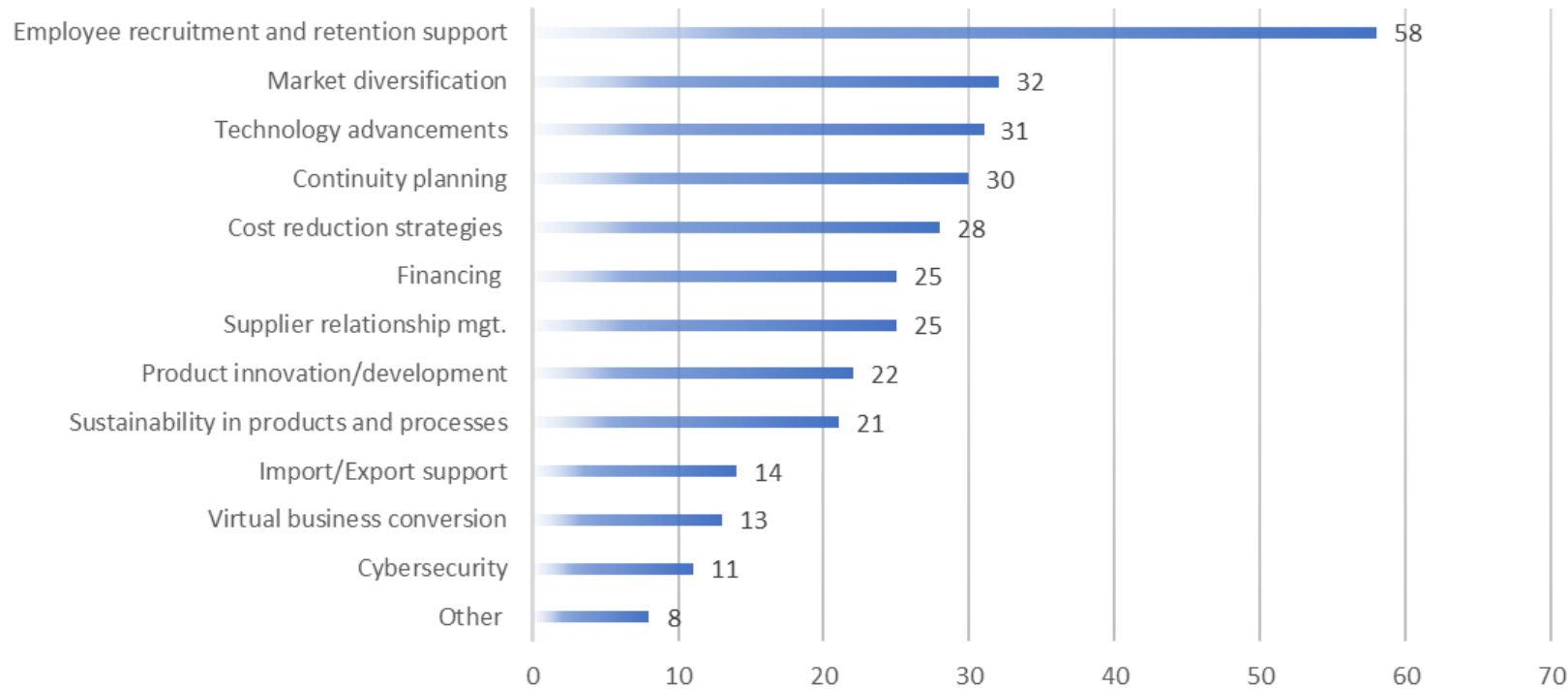
Service After the Sale: Business Impact Survey Summary

DIRECT IMPACT TO YOUR BUSINESS AS A RESULT OF DOC COVID-19 BUSINESS RESOURCE ASSISTANCE AND CONNECTIONS



Service After the Sale: Business Impact Survey Summary

WHAT DO YOU SEE AS THE MOST IMPORTANT STRATEGIC OPPORTUNITY/CHALLENGE FOR YOUR COMPANY?



AGENCY PRESENTATION – OTHER AGENCY DUTIES

House Legislative Oversight Committee

June 29, 2021



South Carolina
Department of Commerce

Just right for business.

Other Agency Duties



South Carolina
Department of Commerce

Just right for business.

Other Agency Duties Outline

- **\$51 MILLION INTRA-AGENCY LOAN WITH PALMETTO RAILWAYS**
- **SHARED RESOURCES**
- **TOURISM INFRASTRUCTURE FUND**
- **LEGISLATIVE MANDATES**
- **COMMUNITY DEVELOPMENT ORGANIZATIONS**
- **MANAGE**
 - **Venture Capital Authority**
 - **Disaster Recovery**
 - **Military Base Task Force**
 - **Savannah Valley Development**
- **OTHER ADVISORY BOARDS/COUNCILS AND COMMITTEES**



\$51 Million Intra-Agency Loan with Palmetto Railways

Project Background

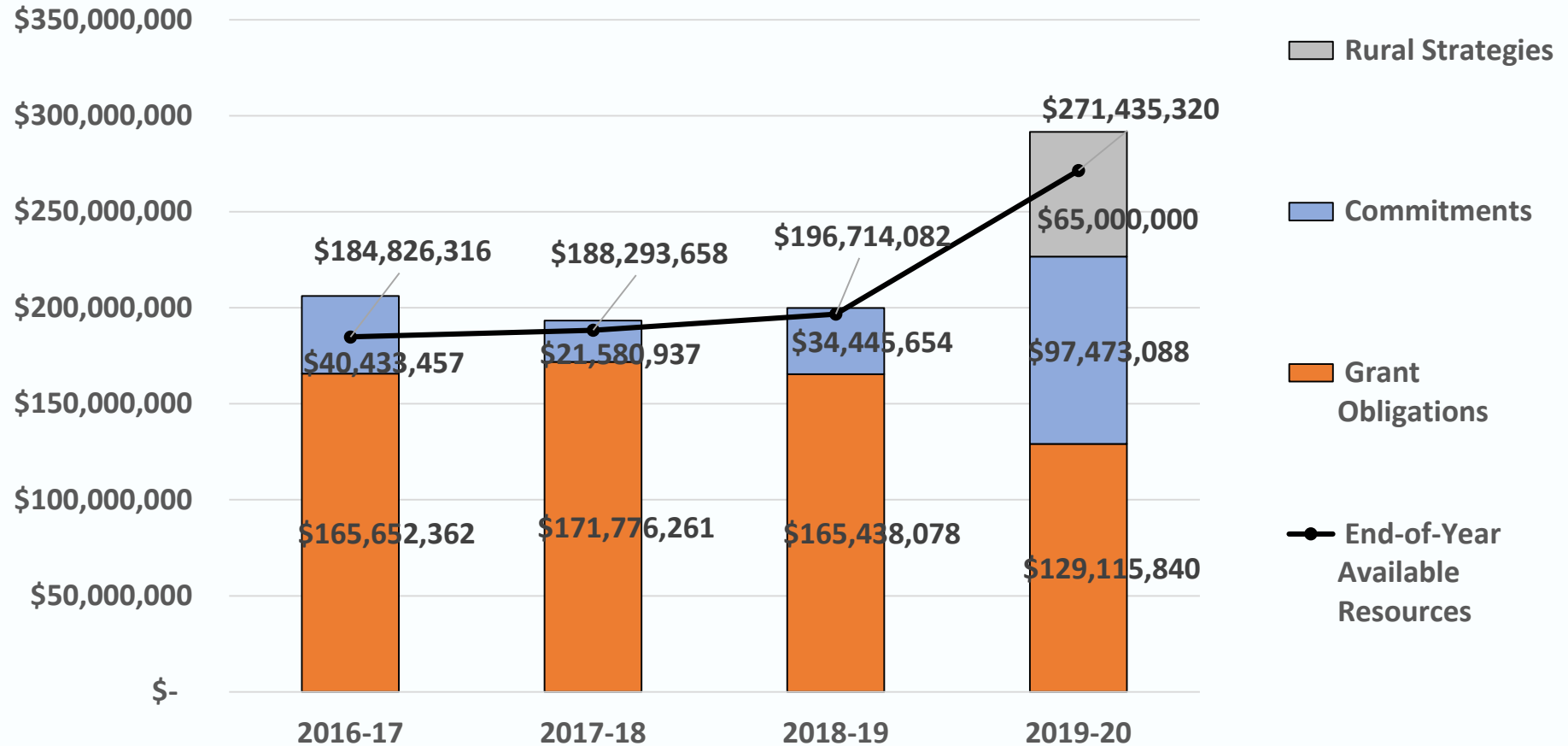
- In 2015, for the Navy Base Intermodal Facility (NBIF) to stay on pace to open near the completion of new HLT container terminal, SC Commerce issued an intra-agency loan to Palmetto Railways in the amount of \$51 million as interim, interest-free financing for permitting and preliminary construction costs.
- The plan has always been to repay this loan from the final, long-term funding mechanism for the NBIF.
- At the time the loan was first extended, SC Commerce and Palmetto Railways expected the NBIF would be funded by a loan through the Railroad Rehabilitation and Improvement Financing program (RRIF) from the Federal Railroad Administration (FRA).
- In 2019, following a meeting with all interested parties, JBRC initiated a study for potential financing alternatives.

Current Status

- The Ports Authority requested funding directly from the SC General Assembly.
- Earlier in the session, the Senate passed S.491, authorizing up to \$550 million in General Obligation Bonds (\$400 million for construction of NBIF; \$150 million for the Barge Project).
- Discussions on whether to cash fund or issue bonds to fund the project are ongoing.



\$51 Million Intra-Agency Loan with Palmetto Railways



Shared Resources

117.49. (GP: Agency Administrative Support Collaboration)
It is the intent of the General Assembly that state agencies continue to actively pursue cost savings measures through collaborative efforts and where feasible may combine administrative support functions with other agencies in order to maximize efficiency and effectiveness.

- ✓ SC Commerce has administrative support agreements with Jobs-Economic Development Authority (JEDA) and Rural Infrastructure Authority (RIA) to provide a variety of administrative and information technology services.



Tourism Infrastructure Fund

Tourism Infrastructure Admissions Tax Act allows 50% of the admissions tax collected at a qualifying tourism and recreation facility to be remitted as follows:

- 25% to county or municipality where the facility is located
- 25% to the Infrastructure Fund administered by the SC Coordinating Council for Economic Development.

To be an establishment, the facility must be:

1. A major tourism or recreation facility. This is a single tourism or recreational facility in which an investment exceeding \$20 million is made; or
2. A tourism or recreation facility located in a major tourism or recreation area. This is an area designated by a county or municipality as a designated development area that has one or more tourism or recreation facilities that collect admissions tax where there is a combined investment of at least \$20 million.



Tourism Infrastructure Fund – Open Grants

SC Coordinating Council for Economic Development
 Tourism Infrastructure Fund - Open Grants
 FY 2020-2021 as of May 31, 2021

Grantee	TIF Project Name	Project Number	Date Approved	Total Gross Deposits	Net Deposits this FY	Total Payments	Total Admin	Payments this FY	Available Balance
Aiken County	USC Aiken Convocation Center	AT09020022	6/4/2009	18,354.51	-	-	616.53	-	17,620.34
City of Columbia	Colonial Life Arena	AT04400014	11/8/2004	1,275,427.96	-	1,215,418.60	55,320.22	-	-
City of Greenville	West End Field	AT07230021	3/6/2008	338,742.19	803.56	202,155.33	9,489.17	-	123,037.19
City of Myrtle Beach	DRC Downtown Development District	AT12260024	6/5/2014	558,230.80	31,964.26	501,404.56	12,725.73	-	34,496.99
City of Myrtle Beach	Grande Dunes Golf Course	AT04260016	3/15/2005	344,521.63	-	330,976.95	11,984.16	-	-
City of Myrtle Beach	Market Commons DDA	AT14260025	9/4/2014	240,877.28	3,621.48	223,499.82	4,400.06	-	7,742.38
City of Myrtle Beach	Myrtle Beach Sports Center	AT18260026	3/8/2018	1,018,882.60	105,628.63	853,332.81	-	-	124,794.47
City of Myrtle Beach	Pine Lakes Country Club	AT11260023	12/1/2011	69,003.56	4,188.64	61,978.29	1,598.65	-	4,265.14
City of Myrtle Beach	Speedpark Designated Development Area	AT04260013	3/15/2005	1,046,961.41	-	974,416.60	36,080.56	-	31,315.56
City of North Augusta	North Augusta Riverside Village (Greenjackets Stadium)	AT18260027	9/6/2018	53,159.03	704.17	49,448.05	-	-	1,584.62
City of North Myrtle Beach	Barefoot Resort DDA	AT05260018	9/14/2005	1,429,249.92	-	1,361,608.23	46,764.38	-	11,073.16
City of Rock Hill	Manchester Village/Waterford Links DDA	AT04460017	3/15/2005	619,426.92	-	587,583.90	19,833.56	-	7,450.39
York County	Paramount Carowinds	AT02460012	12/4/2002	4,948,966.26	-	1,699,196.85	226,519.46	-	2,985,221.95
				11,961,804.07	146,910.74	8,061,019.99	425,332.48	-	3,348,602.19



Legislative Mandates: I-73

50.9. (CMRC: Funding For I-73)
Of the funds authorized for the Coordinating Council for Economic Development, \$500,000 shall be made available for the routing, planning and construction of I-73.



Fiscal Year 2016-17

- ✓ Town of Eastover thru Richland County - \$100,000
- ✓ IT-ology CoursePower - \$400,000

Fiscal Year 2018-19

Economic Development Hubs and Community Development Infrastructure

- ✓ City of Forest Acres - \$250,000
- ✓ City of Sumter - \$100,000
- ✓ Paxville Community Development Corporation - \$250,000
- ✓ Town of Eastover - \$375,000
- ✓ SC State University - \$225,000
- ✓ Clarendon County Community Development Corporation - \$100,000



Community Development Organizations

Certification

- ✓ Interested Community Development Corporations (CDC) and/or Community Development Financial Institutions (CDFI) submit application and corroborating information, along with a non-refundable \$500 processing fee to our partner, the South Carolina Association for Community Economic Development (SCACED).
- ✓ SCACED reviews the documentation and submits a recommendation to SC Commerce.
- ✓ SC Commerce either approves the application, sends it back with request for clarification or more information, or rejects the application.
- ✓ Certification lasts for two years.



Community Development Organizations

Certification Tax Credits: When funding is available, taxpayer may claim as a credit against state income taxes 33% of all equity investments and 50% of all cash donations to a certified CDC or CDFI.

- ✓ Tax credits are authorized on a first come first served basis.
- ✓ The qualifying organization submits a Tax Credit Reservation Form to South Carolina Association for Community Economic Development (SCACED) with the taxpayer information and amount of the credit requested.
- ✓ SCACED reviews the information, and if tax credits are available, they are reserved for the taxpayer.
- ✓ The taxpayer and qualified organization then have 10 days to submit verification of the equity investment or cash donation.
- ✓ Upon receipt, SC Commerce issues a Contribution Certificate to the taxpayer to authenticate the credits associated with the investment/donation.



Manage: Venture Capital Authority (VCA)

- In 2005, the Venture Capital Investment Act was created by state legislature to promote the availability of capital for creating and building business ventures in South Carolina.
- The Venture Capital Authority (VCA) was established as an agency within SC Commerce to identify and select qualified professional investors who will invest in South Carolina companies.
- The VCA is a seven-member board selected by the governor and state lawmakers.
- In 2007, the VCA received financing by a private institutional lender secured by state tax credits, and four venture capital firms were selected.
- InvestSC, Inc. was formed by the SC Jobs-Economic Development Authority (JEDA) at the specific request of the VCA.
- The authority selected InvestSC to serve as a “Designated Investor Group” to assist the VCA in meeting the goals and objectives of the Venture Capital Investment Act.
- InvestSC was organized in 2007 as a nonprofit corporation and received 501(c)(3) tax-exempt status approval from the Internal Revenue Service.



Manage: Venture Capital Authority (VCA)

- The VCA Board approved DBAH , LLC (Deutsche Bank) as a lender under the Act and received approval from the State Budget and Control Board.
- On June 22, 2007, InvestSC and DBAH signed a Securities Purchase Agreement for \$50 million in notes.
- The notes are secured by all of the investments and tax credit certificates issued by the authority.
- It is anticipated that in June of 2022, all notes will be repaid.



Manage: Disaster Recovery Office (DRO)

- Executive Order 2016-13 established the South Carolina Disaster Recovery Office (DRO) within SC Commerce.
- SC Commerce was awarded two Community Development Block Grant-Disaster Recovery (CDBG-DR) grants and one Federal Emergency Management Agency (FEMA) grant related to the 2015 Flood and 2016 Hurricane Matthew.
- DRO was to be a temporary office at SC Commerce, however with Hurricane Florence in 2018, the decision was made to establish a more permanent location for this office.
- Executive Order 2018-59 transferred DRO to the Department of Administration to become a division with that agency.



Manage: Military Base Task Force

- Executive Order 2013-04 reconstituted the Military Base Task Force and directed SC Commerce to administer the funds and assist in carrying out the directives.
- The purpose of the Task Force is to enhance the value of military installations and facilities and the quality of life for military personnel located in this state.
- The Task Force shall:
 - Assist military communities with such value enhancement;
 - Address the various incentives to military personnel assigned in this state;
 - Coordinate the efforts of the military communities; and
 - Provide for other methods and incentives to accomplish these purposes.
- With the passage of 2019 Act No. 26, the Military Base Task Force was transferred to the newly created Office of Veteran Affairs.



Manage: Savannah Valley Development Division (SVDD)

- In 1993, SVDD became a division of SC Commerce with the following primary functions:
 - 1) To support a residential real estate development at Richard B. Russell Lake in Abbeville County (Lake Russell Project);
 - 2) To serve as a cost-share partner with USACE as to public amenities on lands leased to SVDD by USACE;
 - 3) To hold certain railroad rights-of-way acquired from Seaboard Railroad (Anderson Branch ROW); and
 - 4) To serve as a conduit for a \$20 Million loan to McCormick County to support the development of Savannah Lakes Village.
- Lacking the financial resources to maintain its remaining assets and meet ongoing obligations, SC Commerce began looking for interested parties to transfer the various assets and obligations to preserve those assets for public use and enjoyment.
- In the FY2011-12 Appropriation Act, SC Commerce requested and the General Assembly added proviso 40.17 to authorize SC Commerce to transfer assets to interested parties upon approval of Budget and Control Board.
- In 2012, the Budget and Control Board approved the transfer of property to interested parties, and the division is no longer active.



Other Advisory Councils/Boards and Committees

- Serve on Solid Waste Advisory Council
- Serve on Heritage Trust Advisory Board
- Serve on SC Mining Council



COMMITTEE CONTACT INFORMATION AND UPCOMING MEETINGS

Legislative Oversight Committee



South Carolina House of Representatives

Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228

UPCOMING MEETINGS

**Economic Development,
Transportation, and
Natural Resources
Subcommittee**

Thursday, August 5
Room 321
10:00am

END NOTES

¹ Visual Summary Figure 2 is compiled from information in the Department of Commerce study materials available online under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and then under “Commerce, Department of”

<http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/Commerce.php> (accessed February 25, 2021).