



# **GARJA**

## **2021 Annual Georgia Agribusiness and Rural Jobs Act Report**

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# OVERVIEW

Senate Bill 133, known as the “Georgia Agribusiness and Rural Jobs Act” (GARJA), was approved by the Georgia General Assembly during the 2017 legislative session, and subsequently signed into law by then Governor Nathan Deal. The GARJA Program is administered by the Georgia Department of Community Affairs (DCA). Requirements of GARJA are outlined in Section 33-1-25 of Chapter 1 of Title 33 of the Official Code of Georgia annotated.

GARJA is intended to provide access to capital for Georgia businesses in some of the State’s most rural areas. A rural area means any county in Georgia that has a population of less than 50,000. Eligible businesses must have less than 250 employees with their principal business operation in one or more rural areas. The business must be in an eligible industry sector including agricultural, manufacturing, health care, technology or transportation.

DCA approved five Rural Funds (entities created by private companies) in June 2018 to participate in the GARJA Program. \$100 million was certified by DCA in capital investment authority among the five Rural Funds. Each Rural Fund received approval of \$20 million in capital investment authority, which was required to be used for loans or equity investments to eligible small businesses by June 30, 2020. The Rural Funds must maintain qualified investments equal to 100 percent of their capital investments for an additional three years until June 30, 2023. *Please refer to Page 5 for GARJA’s Certified Capital Received and Annual Reporting Status.*

The Rural Funds raised capital from rural investors in exchange for tax credits earned against a rural investor’s state tax liability. Amount of the credit claimed by a rural investor cannot exceed the amount of such entity’s state tax liability for the tax year for which the credit is claimed. Also, at least 50 percent of the capital raised by the Rural Funds was composed of capital from sources other than the amount of capital received from the tax credit investors. *Please refer to Page 5 for the Schedule of Tax Credits Granted.*

The purpose of this publication is to summarize the information provided on the Annual Reports submitted by all Rural Funds for 2021 and provide supplemental information to the 2020 Initial Georgia Agribusiness and Rural Jobs Act Report on the initial deployment of their collective \$100 million in capital investments.

# ACCOMPLISHMENTS

As of December 31, 2021, the five Rural Funds deployed a total of 44 investments for a total of \$103,965,000 in 24 counties in four out of five eligible industry sectors. Together, they have created 660 jobs and retained 742 jobs with these investments. *Please see Page 6 -7 for the Qualified Investments in Eligible Businesses.*

# Inv	Rural Fund	Term Loan	LOC	Equity	Total Investment	Jobs Created (Actual)	Jobs Retained (Actual)	# of Co.*
4	Appalachian Fund I, LLC	\$18,000,000		\$2,000,000	\$20,000,000	53	282	3
18	Enhanced Capital Georgia Rural Fund, LLC	\$21,190,000		\$200,000	\$21,390,000	185	178	10
7	Georgia Rural Investment Fund, LLC	\$13,715,000	\$7,150,000	\$210,000	\$21,075,000	200	102	5
6	Southeast Community Development Fund X, LLC	\$18,799,980		\$1,200,020	\$20,000,000	156	21	6
9	Stonehenge Georgia Rural Fund, LLC	\$20,950,000		\$550,000	\$21,500,000	66	159	7
<b>44</b>		<b>\$92,654,980</b>	<b>\$7,150,000</b>	<b>\$4,160,020</b>	<b>\$103,965,000</b>	<b>660</b>	<b>742</b>	

\*Number of Counties

# SUMMARY

## CHALLENGES

Investments in the technology industry are still particularly challenging since the Rural Funds receive very few inquiries from technology companies. Technology companies are typically difficult to underwrite since they tend to be start-ups or early-stage companies with little to no collateral. A current challenge for the Rural Funds is having enough available in revolving loan funds to assist in financing for small businesses that are referred to them for GARJA assistance.

## SUCCESSSES

DCA determined the Rural Funds deployed the initial \$100 million of capital investments in compliance with the rules and regulations of the program. DCA continues to determine annual compliance with the rules and regulations through review of annual reports and submission of reports on each new investment made by the Rural Funds. As of December 31, 2021, all Rural Funds remain in compliance with GARJA rules and regulations.

Four of five of the targeted industry sectors had significant job creation. *Please refer to Page 8-9 for the Location and Industry Sector of Eligible Businesses Receiving GARJA Investments along with the Pie Chart of Investments by Industry Sector on page 10 and a Map of Investment Activity in Georgia on page 11.*

DCA observed initially that almost all the GARJA investments were first lien investments with turn-down letters from local banks. Without the advantage of the GARJA Program, these small businesses would not have been able to secure any financing. The Rural Funds were able to provide affordable, patient capital at reasonable rates. For the year ending December 2021, DCA observed that several of the investments were follow-on financing for initial investments made for expansion needs, signaling the success of businesses receiving GARJA funding.



### **HOLTON CATTLE: A SIGN OF GARJA SUCCESS**

Lane Holton (above) and his family, the team behind Holton Cattle and Consulting, raised cattle for more than 40 years before shifting to only provide consulting services due to the great recession.

Even with the economy recovering and capital improving, rural growth capital was stunted and the family wasn't able to restart their "owned cattle" business.

Recently, the Holton family, through the Mitchell County Economic Development team, approached Stonehenge Capital to return to cattle raising, smooth out consulting volatility and increase company margins.

Stonehenge has since invested senior debt and equity to help the company reach its former glory.

A [DCA website](https://www.dca.ga.gov/community-economic-development/incentive-programs/georgia-agribusiness-rural-jobs-act) is available to view along with the contact information of the Rural Funds.

<https://www.dca.ga.gov/community-economic-development/incentive-programs/georgia-agribusiness-rural-jobs-act>

The website has been helpful to market to all development authorities and professional economic developers throughout Georgia.

# GARJA'S CERTIFIED CAPITAL RECEIVED AND ANNUAL REPORTING STATUS

GARJA Rural Fund	Amount of Certified Capital received	Total amount of certified capital deployed *	Annual Reporting
Appalachian Fund I, LLC	\$20,000,000	\$20,000,000	In compliance
Enhanced Capital Georgia Rural Fund, LLC	\$20,000,000	\$21,390,000	In compliance
Georgia Rural Investment Fund, L.L.C.	\$20,000,000	\$21,075,000	In compliance
Southeast Community Development Fund X, L.L.C.	\$20,000,000	\$20,000,000	In compliance
Stonehenge GA Rural Fund, LLC	\$20,000,000	\$21,500,000	In compliance
<b>Total Invested in GARJA</b>	<b>\$100,000,000</b>	<b>\$103,965,000</b>	

\*Total includes recycled funds

## SCHEDULE OF TAX CREDITS GRANTED

GARJA Rural Fund	Tax credits authorized 2020	Tax credits authorized 2021
Appalachian Fund I, LLC	\$3,000,000	\$3,000,000
Enhanced Capital Georgia Rural Fund, LLC	\$3,000,000	\$3,000,000
Georgia Rural Investment Fund, L.L.C.	\$3,000,000	\$3,000,000
Southeast Community Development Fund X, L.L.C.	\$3,000,000	\$3,000,000
Stonehenge GA Rural Fund, LLC	\$3,000,000	\$3,000,000
<b>Total tax credits authorized annually</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>

# QUALIFIED INVESTMENTS IN ELIGIBLE BUSINESSES

GARJA Rural Fund	Investment Date	Name of business	Amount of capital invested
Appalachian Fund I, LLC	12/31/2019	Eagle Railcar Services	\$6,500,000
Appalachian Fund I, LLC	12/31/2019	Elixir Extrusions, LLC	\$6,500,000
Appalachian Fund I, LLC	6/17/2020	FarmGrowth Management Services, LLC	\$2,000,000
Appalachian Fund I, LLC	6/17/2020	Gordon Switching Company	\$5,000,000
<b>Amount of Certified Capital invested</b>			<b>\$20,000,000</b>
Enhanced Capital Georgia Rural Fund, LLC	12/12/2018	Blackdirt Farm Management, LLC	\$2,000,000
Enhanced Capital Georgia Rural Fund, LLC	10/30/2019	Blackdirt Farm Management, LLC	\$587,850
Enhanced Capital Georgia Rural Fund, LLC	5/20/2020	Blackdirt Farm Management, LLC	\$500,000
Enhanced Capital Georgia Rural Fund, LLC	1/7/2019	Cabinet Concepts	\$1,500,000
Enhanced Capital Georgia Rural Fund, LLC	7/2/2019	Cabinet Concepts	\$325,000
Enhanced Capital Georgia Rural Fund, LLC	4/10/2020	Cornucopia Farms Avera, LLC	\$345,000
Enhanced Capital Georgia Rural Fund, LLC	11/8/2021	Cornucopia Farms Avera, LLC	\$60,000
Enhanced Capital Georgia Rural Fund, LLC	4/30/2020	Habersham Vinters, Inc.	\$800,000
Enhanced Capital Georgia Rural Fund, LLC	2/21/2020	Highline Structures, LLC	\$1,500,000
Enhanced Capital Georgia Rural Fund, LLC	4/17/2019	Horton Cargo Haulers, LLC	\$2,000,000
Enhanced Capital Georgia Rural Fund, LLC	3/8/2019	Keith Griffin Farms	\$1,800,000
Enhanced Capital Georgia Rural Fund, LLC	12/7/2021	Keith Griffin Farms	\$250,000
Enhanced Capital Georgia Rural Fund, LLC	4/10/2020	Lake Country Brewing, LLC	\$250,000
Enhanced Capital Georgia Rural Fund, LLC	9/17/2018	Luther Griffin Farm	\$3,800,000
Enhanced Capital Georgia Rural Fund, LLC	6/4/2020	Luther Griffin Farm	\$1,072,150
Enhanced Capital Georgia Rural Fund, LLC	12/12/2019	Second Century AG, LLC	\$3,000,000
Enhanced Capital Georgia Rural Fund, LLC	3/29/2019	Soap Creek Marina & Resort, LLC	\$1,000,000
Enhanced Capital Georgia Rural Fund, LLC	3/20/2020	White Oak Pastures, Inc.	\$600,000
<b>Amount of Certified Capital invested</b>			<b>\$21,390,000</b>
Georgia Rural Investment Fund, L.L.C.	5/15/2019	Bhugesh Investments, LLC	\$2,960,000
Georgia Rural Investment Fund, L.L.C.	5/15/2020	Bhugesh Investments, LLC	\$2,300,000
Georgia Rural Investment Fund, L.L.C.	11/9/2020	Check-Mate Manufacturing, LLC	\$800,000

# QUALIFIED INVESTMENTS IN ELIGIBLE BUSINESSES

<b>GARJA Rural Fund</b>	<b>Investment Date</b>	<b>Name of business</b>	<b>Amount of capital invested</b>
Georgia Rural Investment Fund, L.L.C.	5/29/2019	Georgia Earth and Pipe, LLC	\$2,320,000
Georgia Rural Investment Fund, L.L.C.	6/25/2019	Hellman-Chang, LLC	\$2,595,000
Georgia Rural Investment Fund, L.L.C.	4/9/2020	Revive Milling, LLC	\$3,600,000
Georgia Rural Investment Fund, L.L.C.	12/27/2019	Soteria Solar Services, LLC	\$6,500,000
<b>Amount of Certified Capital invested</b>			<b>\$21,075,000</b>
Southeast Community Development Fund X, L.L.C.	8/21/2019	1115 Smith OpCo LLC	\$4,250,000
Southeast Community Development Fund X, L.L.C.	6/17/2020	Cady Bag Company LLC	\$5,000,000
Southeast Community Development Fund X, L.L.C.	5/15/2020	GAXtracts LLC	\$2,000,000
Southeast Community Development Fund X, L.L.C.	11/1/2019	Global Environmental Enterprises, LLC	\$500,000
Southeast Community Development Fund X, L.L.C.	3/13/2019	Meridian Holdings, Inc. & Danimer Scientific Holdings, LLC	\$6,500,000
Southeast Community Development Fund X, L.L.C.	12/10/2020	StruXure Outdoor, Inc.	\$1,750,000
<b>Amount of Certified Capital invested</b>			<b>\$20,000,000</b>
Stonehenge GA Rural Fund, LLC	6/10/2020	CFactor Leasing Corp.	\$4,100,000
Stonehenge GA Rural Fund, LLC	6/25/2021	CFactor Leasing Corp.	\$500,000
Stonehenge GA Rural Fund, LLC	11/16/2020	Conner Holdings, LLC	\$500,000
Stonehenge GA Rural Fund, LLC	12/20/2019	Custom Structures, Inc.	\$5,100,000
Stonehenge GA Rural Fund, LLC	1/27/202	Custom Structures, Inc.	\$500,000
Stonehenge GA Rural Fund, LLC	4/26/2019	Door Kraft Products, Inc.	\$5,500,000
Stonehenge GA Rural Fund, LLC	1/17/2020	Georgia Dental Management, LLC	\$3,300,000
Stonehenge GA Rural Fund, LLC	8/4/2021	Georgia Dental Management, LLC	\$500,000
Stonehenge GA Rural Fund, LLC	3/25/2019	Holton Cattle & Consulting, LLC	\$1,500,000
<b>Amount of Certified Capital Invested</b>			<b>\$21,500,000</b>

**TOTAL GARJA CERTIFIED CAPITAL DEPLOYED: \$103,965,000**

# LOCATION AND INDUSTRY SECTOR OF ELIGIBLE BUSINESSES RECEIVING GARJA INVESTMENTS

GARJA Rural Fund	Business	County	2017 NAICS*	NAICS Title/Sector
Enhanced Capital Georgia Rural Fund, LLC	Highline Structures, LLC	Appling	321992	Prefabricated wood building manufacturing
Southeast Community Development Fund X, LLC	Cady Bag Company LLC	Atkinson	339999	All other miscellaneous manufacturing
Stonehenge GA Rural Fund, LLC	CFactor Leasing Corp.	Bryan	333120	Construction machinery manufacturing
Stonehenge GA Rural Fund, LLC	CFactor Leasing Corp.	Bryan	333120	Construction machinery manufacturing
Enhanced Capital Georgia Rural Fund, LLC	White Oak Pastures, Inc.	Clay	11211	Beef cattle ranching and farming, including feedlots
Stonehenge GA Rural Fund, LLC	Corner Holdings, LLC.	Clinch	113310	Logging
Appalachian Fund I, LLC	Elixir Extrusions, LLC	Coffee	331318	Other aluminum rolling, drawing and extruding
Georgia Rural Investment Fund, L.L.C.	Soteria Solar Services, LLC	Coffee	493110	General warehousing and storage
Stonehenge GA Rural Fund, LLC	Georgia Dental Management LLC	Colquitt	621210	Offices of dentists
Georgia Rural Investment Fund, L.L.C.	Georgia Earth and Pipe, LLC	Dawson	327320	Ready-mix concrete manufacturing
Georgia Rural Investment Fund L.L.C.	Hellman-Chang, LLC	Dawson	337122	Nonupholstered wood household furniture manufacturing
Enhanced Capital Georgia Rural Fund, LLC	Keith Griffin Farms	Decatur	112111	Beef cattle ranching and farming
Enhanced Capital Georgia Rural Fund LLC	Keith Griffin Farms	Decatur	112111	Beef cattle ranching and farming
Enhanced Capital Georgia Rural Fund, LLC	Luther Griffin Farm	Decatur	112111	Beef cattle ranching and farming
Enhanced Capital Georgia Rural Fund, LLC	Luther Griffin Farm	Decatur	112111	Beef cattle ranching and farming
Southeast Community Development Fund X, L.L.C.	Meridian Holdings Group, Inc. & Danimer Scientific Holdings, LLC	Decatur	339999	All other miscellaneous manufacturing
Stonehenge GA Rural Fund, LLC	Georgia Dental Management LLC	Dodge	621210	Offices of dentists
Enhanced Capital Georgia Rural Fund, LLC	Lake Country Brewing, LLC	Greene	312120	Breweries
Enhanced Capital Georgia Rural Fund, LLC	Second Century AG, LLC	Jefferson	115114	Postharvest Crop Activities (except cotton ginning)
Enhanced Capital Georgia Rural Fund, LLC	Blackdirt Farm Management, LLC	Jefferson	115116	Farm management services
Enhanced Capital Georgia Rural Fund, LLC	Blackdirt Farm Management, LLC	Jefferson	115116	Farm management services
Enhanced Capital Georgia Rural Fund, LLC	Blackdirt Farm Management, LLC	Jefferson	115116	Farm management services
Enhanced Capital Georgia Rural Fund, LLC	Cornucopia Farms Avera, LLC	Jefferson	11141	Food crops grown under coverh

# LOCATION AND INDUSTRY SECTOR OF ELIGIBLE BUSINESSES RECEIVING GARJA INVESTMENTS

GARJA Rural Fund	Business	County	2017 NAICS*	NAICS Title/Sector
Enhanced Capital Georgia Rural Fund, LLC	Cornucopia Farms Avera, LLC	Jefferson	11141	Food crops grown under cover
Stonehenge GA Rural Fund, LLC	Custom Structures, Inc.	Laurens	332311	Prefabricated metal building and component manufacturing
Stonehenge GA Rural Fund, LLC	Custom Structures, Inc.	Laurens	332311	Prefabricated metal building and component manufacturing
Enhanced Capital Georgia Rural Fund, LLC	Soap Creek Marina & Resort, LLC	Lincoln	713930	Marinas
Southeast Community Development Fund X, L.L.C.	StruXure Outdoor, Inc.	Lumpkin	33232	Ornamental and architectural metal products manufacturing
Stonehenge GA Rural Fund, LLC	Holton Cattle & Consulting, LLC	Mitchell	112111	Beef cattle ranching and farming
Georgia Rual Investment Fund, L.L.C.	Bhugesh Investments, LLC	Morgan	336320	Motor vehicle electrical and electronic equipment manufacturing
Georgia Rual Investment Fund, L.L.C.	Bhugesh Investments, LLC	Morgan	336320	Motor vehicle electrical and electronic equipment manufacturing
Appalachian Fund I, LLC	FarmGrowth Management Services, LLC	Morgan	115116	Farm management services
Southeast Community Development Fund X, L.L.C.	GAXtracts LLC	Oconee	111421	Nursery and tree production
Enhanced Capital Georgia Rural Fund, LLC	Cabinet Concepts, LLC	Putnam	337110	Wood kitchen cabinet and countertop manufacturing
Enhanced Capital Georgia Rural Fund, LLC	Cabinet Concepts, LLC	Putnam	337110	Wood kitchen cabinet and countertop manufacturing
Stonehenge GA Rural Fund, LLC	Door Kraft Products, Inc.	Putnam	336214	Wood kitchen cabinet and countertop manufacturing
Enhanced Capital Georgia Rural Fund, LLC	Horton Cargo Haulers, LLC	Putnam	623312	Travel trailer and camper manufacturing
Southeast Community Development Fund X, L.L.C.	1115 Smith OpCo LLC	Thomas	332119	Assisted living facilities for the elderly
Georgia Rual Investment Fund, L.L.C.	Checkmate Manufacturing, LLC	Thomas	326199	Metal crown, closure and other metal stamping (except automotive)
Southeast Community Development Fund X, L.L.C.	Global Environment Enterprises, LLC	Washington	326199	All other plastics product manufacturing
Georgia Rual Investment Fund, L.L.C.	Revive Milling, LLC	Washington	115114	Postharvest crop activities (except cotton ginning)
Enhanced Capital Georgia Rural Fund, LLC	Habersham Vintners, Inc.	White	111332	Grape vineyards
Appalachian Fund I, LLC	Eagle Railcar Services	Wilkinson	488210	Support activities for rail transportation
Appalachian Fund I, LLC	Gordon Switching Company	Wilkinson	488210	Support activities for rail transportation

**\* NAICS is the North American Industry Classification System**

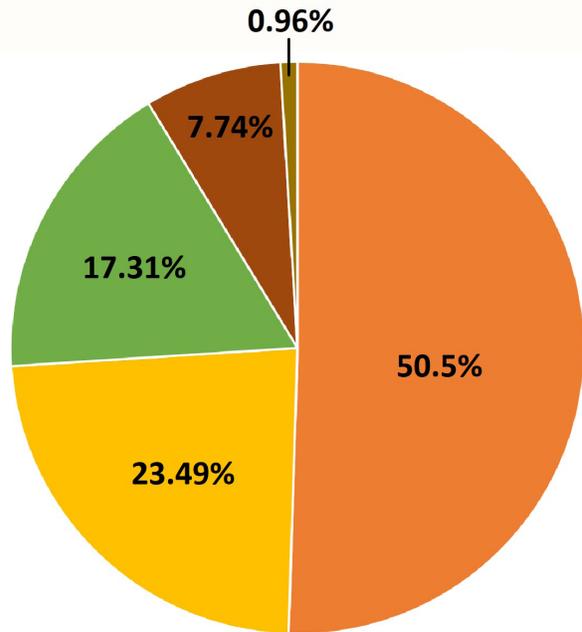
# Georgia Agribusiness and Rural Jobs Act

Investments by Industry Sector in 24 Counties (as of 12/31/21)

## Key:

- Manufacturing: \$52,500,000
- Agricultural: \$24,415,000
- Transportation & Warehousing: \$18,000,000
- Healthcare: \$8,050,000
- Other: \$1,000,000

**Total Amount: \$103,965,000**



## IT'S MORE THAN AGRICULTURE: GARJA'S LARGEST INDUSTRY INVESTMENT

The Georgia Agribusiness and Rural Jobs Act, although aptly named for the subject, has agriculture as its second-highest investment category. Manufacturing is the highest investment category at \$52,500,000.

Danimer Scientific is a 2019 addition to investments under this category, receiving \$6,500,000 from GARJA's Southeast Community Development Fund X, L.L.C. Danimer creates biodegradable, compostable and sustainable polymers to replace plastics made from petrochemicals. Danimer Scientific wants to use the investment to add "dozens" of employees to its workforce. Every three out of four jobs will be accessible to people with at least a high school degree or its equivalent.

GARJA invested a total of \$5,260,000 from its Georgia Rural Investment Fund, L.L.C. in Bhughesh Investments, LLC, between 2019 and 2020. It manufactures motor vehicle electrical systems, electronic equipment and trailers for film production companies. The company's investment goal is to hire between 6-10 more employees to add to a staff of five within two years of receiving the investment.



**Bhughesh Investments, LLC, (top) and Danimer Scientific (bottom) are two, million dollar manufacturing investments. GARJA made in 2019-2020.**

