

CATAWBA REGIONAL DEVELOPMENT CORPORATION
ANNUAL MEMBERSHIP MEETING

Catawba Regional Center
Rock Hill, South Carolina
February 4, 2021

The Annual Meeting of the Catawba Regional Development Corporation was held via Zoom at 4:00 p.m. on February 4, 2021.

The following members were present:

Dwight Neese, President	James Bennett, Vice President	Nettie Archie
Joe Branham	Sen. Mike Fanning	Jim Fuller
Charlene McGriff	Rep. Brandon Newton	Russell Patrick
Rep. Doug Gilliam	Frank Hart	Margaret Holloway
Harold Thompson	Leroy Worthy	Paul Basha
Wes Burton	Mike Fuesser	Brandon Guffey
Nikita Jackson	Derrick Lindsay	Greg Rutherford
P.N. Saksena	Wes Spurrier	Chad Williams
Kevin Blackwood	Brown Fant	Jim Johnson
Tony Pope	Grier Sandifer	David Turner

Others present included:

Staff

Randy Imler	Steve Allen	Candace Barnes
Ed Brock	Autumn Cauthen	Amy Chitwood
Kara Drane	Nicole Lawing	Tyler Lewis
Cole McKinney	Eleanor Mixon	Randy Pellisero
Kathy Rice	Chris Schwartz	Grazier Rhea

Guests

Briana Bateman	Susan Britt	Brian Broughton
Angela Cook	Paul Dillingham	Rep. Annie McDaniel
Teresa Thomas	Steve Willis	

I. Call to Order/Invocation

The meeting was called to order, and the invocation was given by Brown Fant.

II. Consideration of Minutes from the February 13, 2020 Annual Meeting

The minutes of the February 13, 2020 annual meeting were approved as written.

III. Presentation of the 6/30/2020 (FY20) CRDC Audit and 12/31/2020 CRDC Interim (six months) Financial Statements

Amy Chitwood and Autumn Cauthen reviewed the Development Corporation's 2020 Financial Statements and stated that the Development Corporation received an unmodified, or "clean" audit report from the CPA firm of McKinley, Cooper & Co., LLC. Ms. Chitwood stated that CRDC has approximately \$3.6MM in total assets and reviewed CRDC's net position over the past two years.

IV. Annual Lending Activity and Success Stories

The Corporation's annual lending activity for 2020 was presented by Randy Pellisero and Tyler Lewis. The report is as follows:

- 32 new loan approvals were made in 2020 for \$8.1 MM, including 16 COVID-19 RLF, 12 RLF, 1 IRP, 2 SCALF, and 1 BCRLF; and
- 22 loans were closed in 2020 for \$8.4 MM, including 8 COVID-19 RLF, 9 RLF, 3 SBA, 1 SCALF and 1 BCRLF.

Tyler Lewis followed with a summary of the SC Brownfield Cleanup Revolving Loan Fund and gave an update on loan and sub-grant activity, including a BCRLF sub-grant for the Town of Great Falls.

Ed Brock shared two examples of lending impact through the new COVID-19 Revolving Loan Fund (RLF C-19). First, Mr. Brock stated that the RLF C-19 provided start up financing for Lamar Pharmacy. The only pharmacy in Lamar, SC closed, and the closest pharmacy is 15 miles away. Lamar Pharmacy is filling that resulting gap in services. Second, CRDC partnered with South State Bank to finance Carolina Pediatrics in Rock Hill, SC through the RLF C-19. The practice is a start-up and will see COVID patients and administer the vaccine when available.

V. 2020 Operational Achievements and 2021 Focus/Objectives

Randy Imler discussed other 2020 achievements and shared objectives for 2021 and beyond. In 2020, CRDC had its first SBA SMART Review, and CRDC staff is working to make operational adjustments based on this review. Additionally, CRCOG received \$9.4 million of RLF grant funding from the CARES Act. \$8.2MM is capital to lend for COVID-19 pandemic relief across the RLF lending area, and \$820M is designated as administrative funding. CARES Act RLF loan funds must be deployed by June 30, 2022. Furthermore, CRCOG created an EDA RLF COVID-19 lending plan and modified the regular EDA RLF lending plan to match the RLF COVID-19 plan. These plans include staff approval for loans less than \$200M, with after-the-fact review by the CRDC Board.

Mr. Imler stated that a key component for 2021 will be the de-federalization of the 'regular' Economic Development Administration (EDA) Revolving Loan Fund grant (\$7.2MM). In 2020, Congress passed the "Reinvigorating Lending for the Future Act" (RLF Act) which requires that EDA de-federalize RLF grants that have been fully disbursed and have revolved for no less than

a seven-year period. EDA has now invited CRCOG to apply for de-federalization of the COG's \$7.2MM 'regular' RLF fund. EDA requires a Board letter or resolution requesting de-federalization. (Note: While this topic was discussed in the CRDC Annual Meeting as the CRDC Board makes loan decisions for the RLF, consideration of the proposed resolution to apply for de-federalization was approved during the CRCOG Board meeting that took place on February 4, 2021 following the CRDC annual meeting, as CRCOG is the RLF grant recipient from EDA.) Documentation of the approval to submit an application to de-federalize CRCOG's 'regular' RLF program is memorialized in the February 4, 2021 CRCOG Board meeting minutes.

Mr. Imler reviewed several additional goals for 2021. CRDC hopes to approve and close \$4MM of EDA COVID-19 RLF loans. Staff will also revise the Loan Risk Rating System to meet SBA requirements. CRDC hopes to lease Suite 100 of 215 Hampton Street and renovate the Suite 200 Board Room. In addition, the 219 Hampton Street lease with Clinton College has been renewed. Moreover, CRDC plans to hire an additional loan administration staff member to assist with the increased loan volume.

The CRDC Board will explore ways to leverage de-federalized RLF funding. If allowed, CRDC will apply for additional EDA COVID-19 RLF funding. Staff will also assist SC DHEC with an application for supplemental funds from EPA to recapitalize the Brownfields Cleanup RLF. Longer term, CRDC plans to grow SBA 504 loan balances to \$20MM through larger transactions. Ideally, CRDC will achieve \$100MM of total lending by 2025. Finally, the CRDC Board plans to complete the sale and transfer of the NIP lots to increase workforce housing.

Randy Imler thanked the Board of Directors for their continued support and recognized lending staff for their hard work throughout the past year in the midst of the pandemic.

VI. Special Presentation/Board Member Recognition

Mr. Neese presented a plaque to Brown Fant for his meritorious and long-standing service to the CRDC Board of Directors. Mr. Fant has served on the Board for 22 years, from 1999 to 2021. Mr. Neese commended Mr. Fant for his help to create and preserve jobs, grow businesses, and improve the lives of people in the Catawba Region and throughout South Carolina. Mr. Neese also recognized Kathy Moore for her service to the CRDC Board as she retired from the Board in December 2020.

There being no further business, the meeting adjourned at 4:40 p.m.

Respectfully Submitted,



Randy Imler
Secretary/Treasurer