

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MAY 10, 2016, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Mike Luken, Greg Heineman, Ted Husted, Don Kettering, Pat Prostrollo, Tom Jones, Norbert Sebade, Reed Kessler, Bruce Rampelberg, Scott Parsley, Brian Gosch and Spencer Hawley

Staff Present

Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Cassidy Kulesa, Ashley Moore, Katelyn Hump, Dale Knapp and Natalie Likness

Other Staff Present

Sam Helma - BankWest, Inc.

Others Present

Bob Mercer
Denice Houlette - LRC

Call to Order

Chairman Erickson called the meeting to order at 9:32 a.m.

Agenda

A motion was made by Pat Prostrollo and seconded by Mike Luken to approve the agenda as amended.

Motion passed by a roll call vote.

Minutes

A motion was made by Greg Heineman and seconded by Dale Clement to approve the minutes of the meetings held April 12, 2016 and May 2, 2016, as presented.

Motion passed by a roll call vote.

Special Assets Contract

A motion was made by Pat Prostrollo and seconded by Don Kettering to approve the Special Assets Contract as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Don Kettering and seconded by Ted Husted to enter into executive session at 9:42 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:10 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action taken.

A motion was made by Mike Luken and seconded by Dale Clement to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review

MDS Manufacturing, Inc.

A motion was made by Don Kettering and seconded by Greg Heineman to approve the loan review as presented.

Motion passed by a roll call vote.

Old Business

Black Hills Fiberglass, LLC

A motion was made Pat Prostrollo and seconded by Norbert Sebade to approve the release of the lien on the existing equipment in exchange for a principal reduction on the loan balance.

Motion passed by a roll call vote.

New Business

Harbor Group Investments, LLC

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote.

Harbor Group Investments, LLC

A motion was made by Ted Hustead and seconded by Don Kettering to approve the REDI loan request to Harbor Group Investments, LLC in the amount of \$1,613,000.

Secured by a shared first position on the real estate and the corporate guaranties of Harbor Group, Inc. and Interstate Control Systems.

The loan is approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote

Adjourn

A motion was made by Dale Clement and seconded by Pat Prostrollo to adjourn the meeting at 10:20 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer