

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, SEPTEMBER 12, 2017, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, SEPTEMBER 12, 2017, 9:30 A.M. CT**

Board Members:

Jeff Erickson

Dale Clement

Tony Klein

Sharon Casey

John Calvin

Michael Luken

Greg Heineman

Ted Husted

Don Kettering

Pat Prostrollo

Tom Jones

Norbert Sebade

Reed Kessler

Non-Voting

Spencer Hawley

Billie Sutton

Lee Qualm

Blake Curd

**Motion Sheet
(STAFF RECOMMENDATIONS)**

Agenda

Motion to approve the agenda as presented.

Motion made by _____ and seconded by _____.

Minutes

Motion to approve the minutes of the meetings held August 8, 2017, August 29, 2017 and September 1, 2017, as presented.

Motion made by _____ and seconded by _____.

Conflicts of Interest Disclosures

Commissioners Comments

Executive Session

Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion made by _____ and seconded by _____.

Chairman: Declare board out of executive session. [a.m.]. Chairman: The BED entered into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

Motion to approve the chairman's report from executive session.

Motion made by _____ and seconded by _____.

Loan Review Summary

PEDCO/Eagle Creek and PEDCO/South Dakota Pulse Processors

Motion to approve the loan review and recommendation as presented.

Motion made by _____ and seconded by _____.

Grant Reviews

Economic Development Partnership Program (Belle Fourche Development Corporation, City of Wall, Zeal Center For Entrepreneurship, Brookings Economic Development Corporation (RLF) and Burke Business Promotion Corporation (RLF)) and Reinvestment Payment Program (Novita Aurora, LLC)

Motion to approve the grant reviews as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

New Business

Doyle Family Land Company, LLC

Motion to approve the waiver for a loan over \$1,000,000 and approve the loan request from Doyle Family Land Company, LLC in the amount of \$1,755,000. Secured by a shared first collateral position on real estate, the personal guarantees of principals with 10% or more ownership and a corporate guaranty.

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 made by _____ and seconded by _____.

JMo Holdings, LLC

Motion to approve the waiver for a loan over \$1,000,000 and approve the loan request from JMo Holdings, LLC in the amount of \$3,600,000. Secured by a shared first collateral position on real estate, the personal guarantees of principals with 10% or more ownership and a corporate guaranty.

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 made by _____ and seconded by _____.

R & R Holdings, LLC

Motion to approve the loan request from R & R Holdings, LLC in the amount of \$900,000. Secured by a shared first collateral position on real estate, cross collateralized with the current mortgage, assignment of lease and the personal guarantees of principals with 10% or more ownership.

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 made by _____ and seconded by _____.

Vermillion Area Chamber of Commerce & Development Company/Innovative Proteins USA

Motion to approve the waiver for a loan over \$1,000,000, a waiver of equity less than 10% and approve the loan request from Vermillion Area Chamber of Commerce & Development Company/Innovative Proteins USA. Secured by a shared first position on the land and building and assignment of leases for the property.

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 made by _____ and seconded by _____.

Economic Development Partnership Program
City of Box Elder, Sisseton Economic Development Corporation, City of Chamberlain (RLF) and Areawide Business Council, Inc. (RLF)

Motion to deny as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

Local Infrastructure Improvement Program
City of Box Elder and Yankton Area Progressive Growth

Motion to approve as recommended by staff and Grant Committee.

City of Box Elder

- Approve a Local Infrastructure Improvement grant award to the City of Box Elder in the amount of \$379,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Yankton Area Progressive Growth

- Approve a Local Infrastructure Improvement grant award to Yankton Area Progressive Growth in the amount of \$88,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion made by _____ and seconded by _____.

South Dakota Jobs Program
VRC Metal Systems, LLC

Motion to approve the South Dakota Jobs grant application of VRC Metal Systems, LLC as recommended by staff in the board packet.

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$45,000, but not to exceed 50% of the State Sales and Use Tax paid on eligible equipment costs, is approved for VRC Metal Systems, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule.

Motion made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

A

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, SD
TUESDAY, SEPTEMBER 12 , 2017, 9:30 A.M. CT**

REGULAR SESSION AGENDA

- 9:30 A.M. Call To Order, Chairman Jeff Erickson
- 9:35 A.M. **Agenda**
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.
- Minutes**
RECOMMENDED ACTION: Motion to approve the minutes of August 8, 2017, August 29, 2017 and September 1, 2017, as presented.
- Conflicts of Interest Disclosures**
- 9:45 A.M. Commissioner's Comments
- 9:55 A.M. **Executive Session**
RECOMMENDED ACTION: Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance applicants.
- 10:45 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions
Loan Review Summary
Grant Reviews
Doyle Family Land Company, LLC
JMo Holdings, LLC
R & R Holdings, LLC
Vermillion Area Chamber & Development Company/Innovative Proteins USA
Economic Development Partnership Program
City of Box Elder
Sisseton Economic Development Corporation
City of Chamberlain (RLF)
Areawide Business Council, Inc. (RLF)
Local Infrastructure Improvement Program
City of Box Elder
Yankton Area Progressive Growth
South Dakota Jobs Program
VRC Metal Systems, LLC

Notice is further given to persons with disabilities that this meeting is being held in a physically accessible place. Please notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make the necessary arrangements.

Participation in the meeting can be at GOED at 711 E Wells Ave, Pierre, South Dakota, or the GOED office at the Zeal Center for Entrepreneurship at 2329 N. Career Avenue, Sioux Falls, South Dakota.

B

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, AUGUST 8, 2017, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, Mike Luken, Greg Heineman, Don Kettering, Tom Jones and Billie Sutton

Staff Present

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

Other Staff Present

Sam Helma - BankWest, Inc.

Others Present

Bob Mercer

Call to Order

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

Agenda

A motion was made by Tony Klein and seconded by Mike Luken to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Greg Heineman and seconded by Don Kettering to approve the minutes of the meetings held July 11, 2017 and July 31, 2017, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. Don Kettering declared a potential conflict on Kerry K Engle Separate Property Trust and O'Connor Kiln & Dryer, Inc., due to his service at First Dakota National Bank and announced he would abstain from the matter. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from committee members and no objection to proceeding with the agenda.

Executive Session

A motion was made by Dale Clement and seconded by Don Kettering 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 was taken.

A motion was made by Sharon Casey and seconded by Dale Clement to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review Summary

Kerry K Engle Separate Property Trust

A motion was made by Mike Luken and seconded by Dale Clement to approve the loan review and recommendation as presented.

Motion passed by a roll call vote with Don Kettering abstaining.

Old Business

Aberdeen Development Corporation/Magnum Trucking

A motion was made by Sharon Casey and seconded by Dale Clement to grant a one-time waiver of the requirement to provide audited annual financial statements within 90 days of year-end and unaudited quarterly financial statements within 60 days of quarter-end, both for the borrower's fiscal year ended 03/31/2017, and to approve an amendment of the Loan Agreement to extend the time to provide audited annual financial statements to within 120 days of borrower's fiscal year end and to provide unaudited quarterly financial statements promptly upon written request from BED.

Motion passed by a roll call vote.

Day County Wind II, LLC

A motion was made by Greg Heineman and seconded by Mike Luken to approve extending the construction commencement date to August 2018.

Motion passed by a roll call vote.

SD Sun, LLC and SD Sun II, LLC

A motion was made by Sharon Casey and seconded by Don Kettering to approve extending the construction commencement date to January 10, 2019.

Motion passed by a roll call vote.

New Business

O'Connor Kiln & Dryer, Inc.

A motion was made by Mike Luken and seconded by Tony Klein to approve the loan request from O'Connor Kiln & Dryer, Inc. in the amount of \$585,000. Secured by a shared first collateral position and the personal guarantees of principals with 10% or more ownership and William O'Connor and Paula O'Connor.

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 with Don Kettering abstaining.

Reinvestment Payment Program

Agropur inc.

A motion was made by Don Kettering and seconded by Dale Clement to approve the Reinvestment Payment application to Agropur inc. as recommended by staff in the board packet.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$7,254,497 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Agropur inc. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04

and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

James Valley Ethanol, LLC

No action was taken due to the withdrawal of application before the board meeting.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:16 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer

GRANT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, AUGUST 29, 2017, 2:00 P.M. CT

Members Present

Chairman Pat Prostrollo, Sharon Casey, Mike Luken and Greg Heineman

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Katelyn Hump, Cassidy Kulesa and Joe Fiala

Call to Order

Chairman Prostrollo called the meeting to order at 2:01 p.m.

Agenda

A motion was made by Mike Luken and seconded by Greg Heineman to approve the agenda as presented.

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Prostrollo opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. Sharon Casey declared a potential conflict on City of Chamberlain (RLF) as she serves on the Lake Francis Development Corporation Board and City Housing Commission and announced she would abstain from the matter. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from committee members and no objection to proceeding with the agenda.

Executive Session

A motion was made by Greg Heineman and seconded by Mike Luken to enter into executive session at 2:02 p.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 Grant Committee out of executive session at 2:22 p.m. The Chairman reported that the Board of Economic Development Grant Committee entered into Executive Session to discuss 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 Greg Heineman to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Grant Reviews

Economic Development Partnership Program (Belle Fourche Development Corporation, City of Wall, Zeal Center For Entrepreneurship, Brookings Economic Development Corporation (RLF) and Burke Business Promotion Corporation (RLF)) and Reinvestment Payment Program (Novita Aurora, LLC)

Grant Committee recommends to the Board approving the grant reviews as presented.

A motion was made by Greg Heineman and seconded by Sharon Casey.

Motion passed by a roll call vote.

New Business

Economic Development Partnership Program

City of Box Elder, Sisseton Economic Development Corporation, City of Chamberlain (RLF) and Areawide Business Council, Inc. (RLF)

Grant Committee recommended to the Board denying as recommended by staff.

A motion was made by Mike Luken and seconded by Greg Heineman.

Motion passed by a roll call vote with Sharon Casey abstaining.

Local Infrastructure Improvement Program

City of Box Elder and Yankton Area Progressive Growth

Grant Committee recommended to the Board approving as recommended by staff.

City of Box Elder

Approve a Local Infrastructure Improvement grant award to the City of Box Elder in the amount of \$379,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Yankton Area Progressive Growth

Approve a Local Infrastructure Improvement grant award to Yankton Area Progressive Growth in the amount of \$88,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

A motion was made by Greg Heineman and seconded by Sharon Casey.

Motion passed by a roll call vote.

Adjourn

A motion was made by Mike Luken and seconded by Greg Heineman to adjourn the meeting at 2:25 p.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer

CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
FRIDAY, SEPTEMBER 1, 2017, 1:00 P.M. CT

Members Present

Chairman Jeff Erickson, Dale Clement, Don Kettering, Nobert Sebade and Reed Kessler

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore and Cassidy Kulesa

Other Staff Present

Sam Helma and Mike Bietz- BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:01 p.m.

Agenda

A motion was made by Don Kettering and seconded by Norbert Sebade to approve the agenda as presented.

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. Don Kettering declared a potential conflict on Doyle Family Land Company, LLC application due to his service at First Dakota National Bank. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from committee members and no objection to proceeding with the agenda.

Executive Session

A motion was made by Dale Clement and seconded by Reed Kessler to enter into executive session at 1:03 p.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 Credit Committee out of executive session at 1:55 p.m. The Chairman reported that the Board of Economic Development Credit Committee entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Don Kettering and seconded by Reed Kessler to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review

PEDCO/Eagle Creek and PEDCO/South Dakota Pulse Processors, LLC

Credit Committee recommends to the Board approving the loan review and recommendation as presented.

Motion was made by Dale Clement and seconded by Reed Kessler.

Motion passed by a roll call vote.

New Business

Doyle Family Land Company, LLC

Credit Committee recommends to the Board approving the application as presented.

Motion was made by Reed Kessler and seconded by Norbert Sebade.

Motion passed by a roll call vote with Don Kettering abstaining.

JMo Holding, LLC

Credit Committee recommends to the Board approving the application as presented.

Motion was made by Dale Clement and seconded by Don Kettering.

Motion passed by a roll call vote.

R & R Holdings, LLC

Credit Committee recommends to the Board approving the application as presented.

Motion was made by Reed Kessler and seconded by Dale Clement.

Motion passed by a roll call vote.

Vermillion Area Chamber & Development Company/Innovative Proteins USA

Credit Committee recommends to the Board approving the application as presented.

Motion was made by Don Kettering and seconded by Reed Kessler.

Motion passed by a roll call vote.

Adjourn

A motion was made by Dale Clement and seconded by Don Kettering to adjourn the meeting at 1:59 p.m.

Motion passed by a roll call vote

Dale Clement, Secretary or
Tony Klein, Treasurer