

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, DECEMBER 9, 2014, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, DECEMBER 9, 2014, 9:30 A.M. CT**

**Board
Members:**

Jeff Erickson

Dale Clement

Tony Klein

*Sharon
Casey*

John Calvin

Tom Burchill

*Michael
Luken*

*Greg
Heineman*

Tim Kessler

Ted Hustead

*Don
Kettering*

*Pat
Prostrollo*

*Rob
Skjonsberg*

Non-Voting

David Lust

*Bruce
Rampelberg*

Tom Jones

Scott Parsley

**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 meeting held November 12, 2014, November 20, 2014 and December 2, 2014 as presented.

Motion made by _____ and seconded by _____.

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 taken.

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

Motion made by _____ and seconded by _____.

Old Business

3M Brookings – Project #2

Motion to approve a one year extension to the project time period.

Motion made by _____ and seconded by _____.

Arlington Community Development Corporation

Motion to approve an increase in wages and benefits in the amount of \$33,310, disbursed over the next three years as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

GROW South Dakota

Motion to approve 180 day Grant Agreement extension.

Motion made by _____ and seconded by _____.

TTJ Properties, LLC

Motion to accept the offer of Griffith Properties, LLP, for an assignment of the Sheriff's certificate of sale for the former Midwest Performance Converter facility in Gary, South Dakota, subject to the following terms and conditions: (a) sale price is \$200,000 cash; (b) purchaser is responsible to pay all real property taxes, which purchaser understands

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

are a prior lien on the property; (c) assignment conditioned on acceptance of the property "as is, where is"; (d) BED represents that the foreclosure was conducted in a manner such that upon expiration of the redemption period (and absent redemption by any party), the purchaser will receive a Sheriff's deed with no liens or encumbrances on the property except real property taxes and any special assessments that have attached or may attach to the property; (e) EDFA must approve a sale on similar terms and conditions; (f) purchaser is responsible for all remaining steps (and related costs) to obtain a Sheriff's certificate of sale; (g) risk of loss transfers to purchaser at the time of the assignment; (h) the parties will enter into a formal assignment that incorporates the foregoing terms; and (i) transaction must close and purchase price must be received no later than January 10, 2015.

Motion made by _____ and seconded by _____.

New Business
Cattail Company

Motion to approve the loan request from Cattail Company in the amount of \$441,900. Secured by a sole first position on the real estate in New Hope, MN, a second position on the Sisseton property, and 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 _____.

PEDCO/South Dakota Pulse Processors

Motion to approve the loan request from PEDCO/South Dakota Pulse Processors in the amount of \$360,000. Secured by a shared first on real estate, assignment of lease and rents, and deposit account control agreement.

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
Aberdeen Development Corporation, City of Kimball, Wagner Area Growth, Inc., and Northeast Council of Governments (RLF)

Motion to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Aberdeen Development Corporation

- Approve an Economic Development Partnership grant award to the Aberdeen Development Corporation in the amount of \$150,542.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

City of Kimball

- Approve an Economic Development Partnership grant award to the City of Kimball in the amount of \$40,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Wagner Area Growth, Inc.

- Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$78,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Northeast Council of Governments (RLF)

- Approve an Economic Development Partnership grant award to the Northeast Council of Governments (RLF) in the amount of \$250,000.00, contingent upon securing a 3:1 match to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Motion made by _____ and seconded by _____.

Local Infrastructure Improvement Program

City of Valley Springs

Motion to approve the Local Infrastructure Improvement Program grant for the following borrower as recommended by staff and Grant Committee:

City of Valley Springs

- Approve a Local Infrastructure Improvement grant award to the City of Valley Springs in the amount of \$75,000.00 to be used for the water/sewer extension only, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion made by _____ and seconded by _____.

PEG Project 1, LLC

Motion to approve the Reinvestment Payment application of PEG Project 1, LLC 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, the request of PEG Project 1, LLC for an equipment upgrades reinvestment payment of up to \$356,420.00, but not to exceed 100 % of the State Sales and Use Tax paid on eligible equipment costs, is approved for PEG Project 1, LLC. 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 made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, SD
TUESDAY, DECEMBER 9, 2014, 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 November 12, 2014, November 20, 2014 and December 2, 2014 as presented.
- 9:45 A.M. Commissioner's Comments
- 9:50 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
3M Brookings – Project #2
Arlington Community Development Corporation
GROW South Dakota
TTJ Properties, LLC
Cattail Company
PEDCO/South Dakota Pulse Processors
Economic Development Partnership Program
Aberdeen Development Corporation
City of Kimball
Wagner Area Growth, Inc.
Northeast Council of Governments (RLF)
Local Infrastructure Improvement Program
City of Valley Springs
Reinvestment Payment Program
PEG Project 1, 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 Business & Technology Center at 2329 N. Career Avenue, Sioux Falls, South Dakota.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, NOVEMBER 12, 2014, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Tony Klein, Sharon Casey, John Calvin, Tom Burchill, Mike Luken, Greg Heineman, Tim Kessler, Ted Husted, Don Kettering, Pat Prostrollo, Rob Skjonsberg, David Lust, Scott Parsley, Bruce Rampelberg, and Tom Jones

Staff Present

Deputy Commissioner Aaron Scheibe, Kim Easland, Ashley Moore, Cassie Stoesser, Cherissa Nielson, and Dale Knapp

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:32 A.M.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Tom Burchill and seconded by Ted Husted to approve the minutes of the meetings held October 3, 2014, November 3, 2014, and November 6, 2014, as presented.

Motion passed by a roll call vote.

BPro Inc.

A motion was made by Pat Prostrollo and seconded by John Calvin to approve the BPro Inc. contract as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Tim Kessler and seconded by Tom Burchill to enter into executive session at 9:37 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 10:26 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 Pat Prostrollo and seconded by Greg Heineman to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Areawide Business Council, Inc.

A motion was made by Sharon Casey and seconded by Tom Burchill to approve a 180 day Grant Agreement extension.

Motion passed by a roll call vote.

B & H Wind, LLC

A motion was made by Tony Klein and seconded by Tim Kessler to approve the application for modification as presented.

Motion passed by a roll call vote.

Wounded Knee Development Corporation

A motion was made by Sharon Casey and seconded by Ted Husted to approve the attached 4 year budget showing the 1:1 match including wages, benefits, and equipment.

Motion passed by a roll call vote.

New Business

CMW Industrial Properties, LLC

A motion was made by Don Kettering and seconded by John Calvin to approve the loan request from CMW Industrial Properties, LLC in the amount of \$900,000. Secured by a shared first mortgage and personal guarantees of principals with 10% or more ownership and a corporate guarantee.

A motion was made by and seconded by to approve the loan request from CMW Industrial Properties, LLC in the amount of \$350,000. Secured by a shared first lien on equipment, second position on the building, personal guarantees of principals with 10% or more ownership and a corporate guarantee.

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.

RTI, LLC / NEVCO, LLC

A motion was made by Tom Burchill and seconded by Pat Prostrullo to approve the loan request from RTI, LLC/NEVCO, LLC in the amount of \$250,000. Secured by a shared first position on the project equipment purchased and personal guarantees of principals with 10% or more ownership and waiving the personal guarantee of one owner.

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.

Interbake Foods, LLC

A motion was made by Pat Prostrullo and seconded by Greg Heineman to approve the Reinvestment Payment application of Interbake Foods, LLC 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, the request of Interbake Foods, LLC for an equipment upgrades

reinvestment payment of up to \$203,060.00, but not to exceed 50 % of the State Sales and Use Tax paid on eligible equipment costs, is approved for Interbake Foods, LLC. 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.

Bills

A motion was made by Don Kettering and seconded by Tom Burchill to approve the bill payable to Department of Legislative Audit in the amount of \$6,851.10 for the Audit. Motion passed by a unanimous voice vote.

Adjourn

A motion was made by Tony Klein and seconded by Sharon Casey to adjourn the meeting at 10:37 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
THURSDAY, NOVEMBER 20, 2014 – 10:00 A.M. CT

Members Present

Chairman Tim Kessler, Mike Luken, Greg Heineman, Ted Husted, Bruce Rampelberg, and Tom Jones

Staff Present

Kim Easland, Ashley Moore, Cherissa Nielson

Call to Order

Chairman Kessler called the meeting to order at 10:04 a.m.

Agenda

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

Motion passed by a roll call vote.

Executive Session

A motion was made by Mike Luken and seconded by Ted Husted to enter into executive session at 10:05 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 Grant Committee out of executive session at 10:35 a.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 Greg Heineman and seconded by Mike Luken to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Arlington Community Development Corporation

Grant Committee recommended to the Board approving an increase in wages and benefits in the amount of \$33,310, disbursed over the next three years.

A motion was made by Ted Husted and seconded by Mike Luken.

Motion passed by a roll call vote.

New Business

Economic Development Partnership Program

Aberdeen Development Corporation, Wagner Area Growth, Inc., and Northeast Council of Governments (RLF)

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

Aberdeen Development Corporation

Approve an Economic Development Partnership grant award to the Aberdeen Development Corporation in the amount of \$150,542.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Wagner Area Growth, Inc.

Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$78,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Northeast Council of Governments (RLF)

Approve an Economic Development Partnership grant award to the Northeast Council of Governments (RLF) in the amount of \$250,000.00, contingent upon securing a 3:1 match to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

A motion was made by Ted Husted and seconded by Mike Luken.
Motion passed by a roll call vote.

City of Kimball

Grant Committee recommended to the Board approving as discussed.

City of Kimball

Approve an Economic Development Partnership grant award to the City of Kimball in the amount of \$40,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

A motion was made by Ted Husted and seconded by Greg Heineman.
Motion passed by a roll call vote

Local Infrastructure Improvement Program Grant Applications

City of Valley Springs

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

City of Valley Springs

Approve a Local Infrastructure Improvement grant award to the City of Valley Springs in the amount of \$75,000.00 to be used for the water/sewer extension only to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

A motion was made by Mike Luken and seconded by Greg Heineman.
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 10:40 a.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
DECEMBER 2, 2014, 10:00 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Pat Prostrollo, Don Kettering, and Tom Burchill

Staff Present

Deputy Commissioner Aaron Scheibe, Kim Easland, Ashley Moore, and Cassie Stoesser

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 10:05 a.m.

Agenda

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

Motion passed by a roll call vote.

Executive Session

A motion was made by Pat Prostrollo and seconded by Dale Clement to enter into executive session at 10:06 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 Credit Committee out of executive session at 10:30 a.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 taken.

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

Motion passed by a roll call vote.

Old Business

TTJ Properties, LLC

Credit Committee recommends to the Board approving the purchase offer for the property located in Gary, SD as presented.

A motion was made by Dale Clement and seconded by Tom Burchill.

Motion passed by a roll call vote.

New Business

Cattail Company

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

A motion was made by Don Kettering and seconded by Tom Burchill.

Motion passed by a roll call vote.

PEDCO/South Dakota Pulse Processors, LLC

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

A motion was made by Pat Prostrollo and seconded by Don Kettering.

Motion passed by a roll call vote

Adjourn

A motion was made by Dale Clement and seconded by Tom Burchill to adjourn the meeting at 10:35 a.m.

Motion passed by a roll call vote

Dale Clement, Secretary or
Tony Klein, Treasurer