

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MARCH 8, 2016, 9:30 CT**

Members Present

Chairman Jeff Erickson, Tony Klein, Mike Luken, Ted Hustead, Don Kettering, Pat Prostrullo, Tom Jones, Norbert Sebade, Dale Clement, Sharon Casey, John Calvin, Greg Heineman

Staff Present

Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, LaJena Gruis, Katelyn Hump

Other Staff Present

Sam Helma - BankWest, Inc.

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 John Calvin to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Don Kettering and seconded by Greg Heineman to approve the minutes of the meetings held February 10, 2016, February 17, 2016 and February 29, 2016, as presented.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program Award Policy for Tribal Governmental Organizations.

A motion was made by Dale Clement and seconded by Don Kettering to approve the Policy as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Ted Hustead and seconded by Mike Luken to enter into executive session at 9:52 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 10:50 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 John Calvin and seconded by Sharon Casey to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review

Sioux Falls Development Foundation

A motion was made by Don Kettering and seconded by Mike Luken to approve the post-closing loan review as presented.

Motion passed by a roll call vote.

Old Business

City of Yankton

A motion was made by Greg Heineman and seconded by Ted Husted to decline the proposed grant amendment.

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

Valley Springs

A motion was made by Sharon Casey and seconded by Pat Prostrollo to approve extending the grant agreement to December 31, 2016.

Motion passed by a roll call vote.

New Business

Streff Properties, LLC

A motion was made by Pat Prostrollo to and seconded by John Calvin to approve the loan request from Streff Properties, LLC in the amount of \$234,000. Secured by a pro-rata shared first position on real estate, an assignment of lease for the property, the corporate guarantee of Secure Banking Solutions, LLC and an unlimited, unsecured personal guarantee of Kevin Streff.

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 Jeff Erickson, Dale Clement and Don Kettering abstaining.

Reinvestment Payment Program

GCC Dacotah, Inc.

A motion was made by Pat Prostrollo and seconded by Norbert Sebade to approve the Reinvestment Payment application of GCC Dacotah, 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 \$1,602,210.08 but not to exceed 60 percent of State Sales/Use Tax paid on eligible project costs, is approved for GCC Dacotah, 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.

Economic Development Partnership Program IEDC Basic Training
Centerville Development Corporation

A motion was made by Don Kettering and seconded by Tom Jones to approve an Economic Development Partnership grant award to the Centerville Development Corporation the amount of \$830.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training as recommend by staff and Grant Committee.

Motion passed by a roll call vote.

Economic Development Partnership Program

A motion was made by John Calvin and seconded by Sharon Casey to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Brookings Economic Development Corporation

- Approve an Economic Development Partnership grant award to the Brookings Economic Development in the amount of \$133,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

West River Foundation for Economic and Community Development

- Approve an Economic Development Partnership grant award to the West River Foundation for Economic and Community Development in the amount of \$250,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Centerville Economic Development Corporation

- Approve an Economic Development Partnership grant award to the Centerville Economic Development Corporation in the amount of \$13,006.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program

A motion was made by Pat Prostrullo and seconded by Sharon Casey to approve the Local Infrastructure Improvement Program grants for the following borrowers as recommended by staff and Grant Committee:

Greater Rapid City Area Economic Development Corporation

- Approve a Local Infrastructure Improvement grant award to the Greater Rapid City Area Economic Development Corporation in the amount of \$500,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Arlington Community Development Corporation

- Approve a Local Infrastructure Improvement grant award to Arlington Community Development Corporation in the amount of \$500,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Rosebud Economic Development Corporation

- Approve a Local Infrastructure Improvement grant award to Rosebud Economic Development Corporation in the amount of \$230,573.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy for Tribal Governmental Organizations.

Motion passed by a roll call vote.

Bills

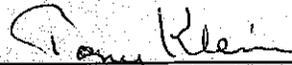
A motion was made by Ted Hustead and seconded by Don Kettering to approve the bill payable to PIDC in the amount of \$8,325.00

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Pat Prostrullo to adjourn the meeting at 11:00 a.m.

Motion passed by a roll call vote.



Dale Clement, Secretary or
Tony Klein, Treasurer