BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
MONDAY, MARCH 9, 2015, 10:00 A.M. CT

Members Present
Chairman Jeff Erickson, Tony Klein, Sharon Casey, John Calvin, Tom Burchill, Mike Luken, Greg Heineman, Tim Kessler, Ted Hustead, Don Kettering, Pat Prostrollo, Tom Jones and Bruce Rampelberg

Staff Present
Commissioner Pat Costello, Kim Easland, Ashley Moore, Cassie Stoeser, Cherissa Wright, Dale Knapp, Alex Smith and Mike Turnwall

Other Staff Present
Mandy Kuipers - BankWest, Inc.

Call to Order
Chairman Erickson called the meeting to order at 10:42 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 Tom Burchill and seconded by Sharon Casey to approve the minutes of the meetings held February 11, 2015, February 18, 2015 and March 2, 2015, as presented.
Motion passed by a roll call vote.

Executive Session
A motion was made by Pat Prostrollo and seconded by Ted Hustead to enter into executive session at 10:45 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 11:21 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 Sharon Casey to approve the chairman's report from executive session.
Motion passed by a roll call vote.

Loan Review Summary
eyeBrain Medical, Inc. and H.F. Webster Inc.
A motion was made by Tom Burchill and seconded by John Calvin to approve the loan reviews and recommendations as presented.
Motion passed by a roll call vote.

Old Business
H.F. Webster
A motion was made by Tim Kessler and seconded by Pat Prostrollo to approve releasing all personal guarantees and obtaining a corporate guarantee.
Motion passed by a roll call vote.

Hansen Manufacturing Corp.
A motion was made by Don Kettering and seconded by Sharon Casey to approve extending the commitment letter for three additional months until June 9, 2015.
Motion passed by a roll call vote.

City of Parkston
A motion was made by Tony Klein and seconded by Tom Burchill to approve extending the project completion date to December 31, 2015.
Motion passed by a roll call vote.

PEG Project 1, LLC
A motion was made by Greg Heineman and seconded by Sharon Casey to approve a 180 day Agreement extension.
Motion passed by a roll call vote.

New Business
Kerry K Engle Separate Property Trust
A motion was made by Tom Burchill and seconded by Pat Prostrollo approve the loan request from Kerry K Engle Separate Property Trust in the amount of $607,500. Secured by a shared first position on the real estate and personal guarantees of principals with 10% or more ownership. Bank covenants will be mirrored within the loan 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 passed by a roll call vote with Don Kettering abstaining.

Economic Development Partnership Program IEDC Basic Training
Worthing Economic Development Corporation, Aberdeen Development Corporation and City of Summerset
A motion was made by Ted Hustead and seconded by Tim Kessler to approve the Economic Development Partnership Program IEDC Basic Training grants for the following borrowers are recommended by staff and grant committee:

Worthing Economic Development Corporation
Approve an Economic Development Partnership grant award to the Worthing Economic Development Corporation in the amount of $860.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Aberdeen Development Corporation
Approve an Economic Development Partnership grant award to the Aberdeen Development Corporation in the amount of $1,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

City of Summerset

Approve an Economic Development Partnership grant award to the City of Summerset in the amount of $1,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Motion passed by a roll call vote

Economic Development Partnership Program
Brookings Economic Development Corporation (RLF), Burke Business Promotion Corporation (RLF) and South Dakota Technology Business Center
A motion was made by John Calvin and seconded by Sharon Casey to defer the decision until the June board meeting as recommended by staff and Grant Committee.
Motion passed by a roll call vote

City of Chamberlain (RLF) and Yankton Area Progressive Growth
A motion was made by Tom Burchill and seconded by Tim Kessler to approve the Economic Development Partnership Program grants for the following borrowers are recommended by staff and grant committee:

City of Chamberlain (RLF)

Approve an Economic Development Partnership grant award to the City of Chamberlain (RLF) in the amount of $150,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Yankton Area Progressive Growth

Approve an Economic Development Partnership grant award to the Yankton Area Progressive Growth in the amount of $141,613.67, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding

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

Local Infrastructure Improvement Program Grant Applications
City of Belle Fourche
A motion was made by Ted Hustead and seconded by Tim Kessler to defer the decision until the June board meeting as recommended by staff and Grant Committee.
Motion passed by a roll call vote.

Polaris Sales Inc. - Project 1
A motion was made by Pat Prostrollo and seconded by Tom Jones to approve the Reinvestment Payment application of Polaris Sales Inc. - Project 1 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 Polaris Sales Inc. for an equipment upgrades reinvestment payment of $44,900.00, but not to exceed 50 percent of the State Sales and Use Tax paid on eligible equipment costs, is approved for Polaris Sales 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

South Dakota Wheat Growers

A motion was made by Ted Hustead and seconded by Don Kettering to deny the Reinvestment Payment application from South Dakota Wheat Growers as recommended by staff in the board packet.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Tom Burchill to adjourn the meeting at 11:35 a.m.

Motion passed by a roll call vote.

Tony Klein

Dale Clement, Secretary or
Tony Klein, Treasurer