

**BOARD OF ECONOMIC DEVELOPMENT
SD TECHNOLOGY BUSINESS CENTER, 2329 N CAREER AVE, SIOUX FALLS, SD
TUESDAY, JUNE 2, 2015, 12:30 P.M. CT**

Members Present

Chairman Jeff Erickson, Tony Klein, Sharon Casey, Mike Luken, Greg Heineman, Tim Kessler, Ted Hustead, Don Kettering, Pat Prostrollo, Bruce Rampelberg, Scott Parsley, Spencer Hawley and John Calvin (via-telephone)

Staff Present

Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Kim Easland, Ashley Moore, Cassie Stoesser, Cherissa Wright, Lajena Gruis, Steve Watson and Alex Smith

Other Staff Present

Mandy Kuipers - BankWest, Inc.
Tim Engel – May, Adam, Gerdes & Thompson, LLP

Other's Present

James Nord - AP

Call to Order

Chairman Erickson called the meeting to order at 12:30 P.M.

Agenda

A motion was made by Tim Kessler and seconded by Pat Prostrollo to approve the agenda as presented.

Motion passed by a voice vote.

Minutes

A motion was made by Tony Klein and seconded by Mike Luken to approve the minutes of the meetings held April 14, 2015, May 19, 2015 and May 26, 2015, as presented.

Motion passed by a voice vote.

Clausen & Rice, LLP Accounting Contract

A motion was made by Ted Hustead and seconded by Don Kettering to approve the Clausen & Rice, LLP contract for accounting services as presented.

Motion passed by a voice vote.

Executive Session

A motion was made by Tim Kessler and seconded by Tony Klein to enter into executive session at 12:35 p.m. to discuss contract matters, and commercial and financial information relating to loan and other assistance to applicants and consult with legal counsel.

Motion passed by a voice vote.

Executive Session Report

The Chairman declared the board out of executive session at 2:02 p.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 Don Kettering to approve the chairman's report from executive session.

Motion passed by a voice vote.

New Business

Sioux Falls Development Foundation

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

Motion passed by a voice vote.

A motion was made by Don Kettering and seconded by Ted Husted to approve the loan request from Sioux Falls Development Foundation in the amount of \$8,500,000. Secured by real estate and limited guaranty as presented.

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 voice vote.

SD Industries, Inc.

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve the loan request from SD Industries, Inc. in the amount of \$639,637. Secured by a shared first position with the bank on all equipment and fixtures financed 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 passed by a voice vote.

Weisser Properties, LLC

A motion was made by Tim Kessler and seconded by Greg Heineman to approve the loan request from Weisser Properties, LLC in the amount of \$945,000. Secured by a shared first position on the real estate and building 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 passed by a voice vote.

Economic Development Partnership Program

Aberdeen Development Corporation

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve an Economic Development Partnership grant award to the Aberdeen Development Corporation in the amount of \$715.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Training Only as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Arlington Community Development Corporation (RLF), Brookings Economic Development Corporation (RLF), Burke Business Promotion Corporation (RLF), and West River Foundation for Economic & Community Development (RLF)

A motion was made by Don Kettering and seconded by Mike Luken to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Arlington Community Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Arlington Community Development Corporation (RLF) in the amount of \$100,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Brookings Economic Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Brookings Economic Development Corporation (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.

Burke Business Promotion Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Burke Business Promotion Corporation (RLF) in the amount of \$100,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

West River Foundation for Economic & Community Development (RLF)

- Approve an Economic Development Partnership grant award to the West River Foundation for Economic & Community Development (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 passed by a voice vote.

City of Wall

A motion was made by Greg Heineman and seconded by Pat Prostrollo to approve an Economic Development Partnership grant award to the City of Wall in the amount of \$125,496.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding as recommended by staff and Grant Committee.

Motion passed by a voice vote with Ted Hustead abstaining.

South Dakota Technology Business Center

A motion was made by Pat Prostrollo and seconded by Don Kettering to approve an Economic Development Partnership grant award to the South Dakota Technology Business Center in the amount of \$95,518.22, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Local Infrastructure Improvement Program

Brookings County, City of Beresford, City of Doland, and Edison Township

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

Brookings County

Approve a Local Infrastructure Improvement grant award to Brookings County in the amount of \$100,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Beresford

Approve a Local Infrastructure Improvement grant award to the City of Beresford in the amount of \$225,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Doland

Approve a Local Infrastructure Improvement grant award to the City of Doland in the amount of \$43,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Edison Township

Approve a Local Infrastructure Improvement grant award to the Edison Township in the amount of \$245,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a voice vote.

City of Mitchell

A motion was made by Ted Husted and seconded by Tim Kessler to deny the Local Infrastructure Improvement Program grant as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Loan Reviews

Loan Review Summary

A motion was made by Don Kettering and seconded by Mike Luken to approve the loan reviews and recommendations as presented for the following borrowers:

Manitex Load King

Metalworks, LLC

Custom Touch Homes, LLC

Motion passed by a roll call vote.

Old Business

CMW Industrial Properties, LLC

A motion was made by Tony Klein and seconded by Ted Husted to approve extending the commitment letter to August 12, 2015.

Motion passed by a voice vote.

Custom Touch Homes, LLC

A motion was made by Don Kettering and seconded by Sharon Casey to deny the request as presented.

Motion passed by a voice vote.

Northeast Council of Governments Development Corporation

A motion was made by John Calvin and seconded by Tim Kessler to approve extending the Grant Agreement until December 31, 2015.

Motion passed by a voice vote.

Adjourn

A motion was made by Tony Klein and seconded by Pat Prostrullo to adjourn the meeting at 2:48 p.m.

Motion passed by a voice vote.



Dale Clement, Secretary or
Tony Klein, Treasurer