

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

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Greg Heineman, Tim Kessler, Ted Husted, Pat Prostrullo, Rob Skjonsberg, David Lust, Scott Parsley, and Tom Jones

Staff Present

Deputy Commissioner Aaron Scheibe, Kim Easland, Travis Dovre, Ashley Moore, Cherissa Nielson, and Dale Knapp

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:34 A.M.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Dale Clement and seconded by John Calvin to approve the minutes of the meetings held August 12, 2014, August 21, 2014, and August 29, 2014, as presented.

Motion passed by a roll call vote.

Economic Development Partnership Program Application for Revolving Loan Funds

A motion was made by John Calvin and seconded by Ted Husted to approve the Economic Development Partnership Program Application for Revolving Loan Funds as amended by staff and Grant Committee.

Motion passed by a roll call vote.

Executive Session

A motion was made by Sharon Casey and seconded by Dale Clement to enter into executive session at 9:40 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 10:33 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.

A motion was made by John Calvin and seconded by Tony Klein to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Reviews

Adams Holdings, LLC, Marmen Energy Co., PEDCO/Eagle Creek, and Yankton Area Progressive Group

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

Old Business

Aberdeen Development Corporation/Coventry Health Care

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve the extension until December 31, 2015, and increasing the rate as presented.

Motion passed by a roll call vote.

Adams Holdings, LLC

A motion was made by Sharon Casey and seconded by Rob Skjonsberg to approve extending the maturity dates on loans 04-17-A, 06-07-A, and 08-06-A until March 1, 2016, contingent upon securing additional collateral.

Motion passed by a roll call vote.

Agile Manufacturing, LLC

A motion was made by Pat Prostrollo and seconded by Ted Husted to approve extending the loan commitment until December 31, 2014.

Motion passed by a roll call vote.

Bel Brands USA, Inc.

A motion was made by Tony Klein and seconded by Tim Kessler to approve extending the funding commitment until October 31, 2014, retroactive from July 31, 2014.

Motion passed by a roll call vote.

PEDCO/Eagle Creek

A motion was made by Dale Clement and seconded by Rob Skjonsberg to approve extending the loan maturity to match the bank's new maturity date, not to exceed 60 months.

Motion passed by a roll call vote.

New Business

Hansen Manufacturing Corp

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

Motion passed by a roll call vote.

A motion was made by Pat Prostrollo and seconded by Tim Kessler to approve the loan request from Hansen Manufacturing Corp in the amount of \$5,000,000. Secured by a first position on the facility and fixtures, and the corporate guarantor of Ag Growth International, Inc.

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.

Economic Development Partnership Program IEDC Basic Training
Wagner Area Growth, Inc.

A motion was made by Dale Clement and seconded by Sharon Casey to approve Economic Development Partnership Program IEDC Basic Training to Wagner Area Growth, Inc. as recommended by staff and Grant Committee.

Wagner Area Growth, Inc.

- Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$925.00, 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

Heartland Consumers Power District, Areawide Business Counsel, Inc. (RLF), GROW South Dakota (RLF), Onida Area Development Corporation (RLF), South Eastern Development Foundation (RLF), Wagner Area Growth, Inc. (RLF)

A motion was made by Greg Heineman and seconded by Pat Prostrollo to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Heartland Consumers Power District

- Approve an Economic Development Partnership grant award to the Heartland Consumers Power District in the amount of \$4,675.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Training Only.

Areawide Business Council, Inc. (RLF)

- Approve an Economic Development Partnership grant award to the Areawide Business Council, Inc. (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.

GROW South Dakota (RLF)

- Approve an Economic Development Partnership grant award to GROW South Dakota (RLF) in the amount of \$250,000.00, contingent upon securing a 4:1 outside match to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Onida Area Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Onida Area Development Corporation (RLF) in the amount of \$60,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

South Eastern Development Foundation (RLF)

- Approve an Economic Development Partnership grant award to the South Eastern Development Foundation (RLF) in the amount of \$250,000.00, contingent upon leveraging \$500,000.00 in additional outside RLF funds within the next 12 months from the approval to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Wagner Area Growth, Inc. (RLF)

- Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. (RLF) in the amount of \$50,000.00, contingent upon committing

75% of current RLF funds bringing the unobligated balance to \$68,235.50 within 90 days from the approval date to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program

City of Spearfish and City of Yankton

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

City of Spearfish

- Approve a Local Infrastructure Improvement grant award to the City of Spearfish in the amount of \$45,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Yankton

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

Motion passed by a roll call vote.

South Dakota Jobs Program

Sapa Extrusions, Inc.

A motion was made by Ted Hustead and seconded by Rob Skjonsberg to approve the South Dakota Jobs grant application of Sapa Extrusions, Inc. as recommended by staff in the board packet.

Sapa Extrusions, Inc.

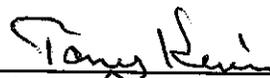
- Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a South Dakota Jobs Grant, a South Dakota Jobs Grant in the amount of \$24,280.00, but not to exceed 100% of use tax due on eligible equipment costs during the project period is approved for Sapa Extrusions Inc. The South Dakota Jobs Grant is contingent upon Sapa Extrusions, Inc. creating 30 new full-time positions in South Dakota within three (3) years from 08/22/2014 and proceeding with a building expansion not less than 35,000 square feet within one (1) year. In the event Sapa Extrusions, Inc. fails to meet the aforementioned requirements, the State may require repayment of all or a portion of the South Dakota Jobs Grant. 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 administrative rule.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:46 a.m.

Motion passed by a roll call vote.



Dale Clement, Secretary or
Tony Klein, Treasurer