

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, SEPTEMBER 15, 2015, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Tim Kessler, Don Kettering, Tom Jones, Norbert Sebade, Bruce Rampelberg, Brian Gosch and Spencer Hawley

Staff Present

Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Cherissa Wright and Dale Knapp

Other Staff Present

Mike Bietz and Sam Helma - BankWest, Inc.

Others Present

Bob Mercer

Call to Order

Chairman Erickson called the meeting to order at 9:35 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by John Calvin and seconded by Tony Klein to approve the minutes of the meeting held August 11, 2015 and the meetings held September 3, 2015, as presented.

Motion passed by a roll call vote.

South Dakota Division of Banking – Report from Examination

A motion was made by Dale Clement and seconded by John Calvin to accept the exam as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Tim Kessler and seconded by Sharon Casey 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. No action taken.

A motion was made by Don Kettering and seconded by Mike Luken to approve the chairman's report from executive session.

Motion passed by a roll call vote.

### Loan Review

#### Bel Brands USA, Inc.

A motion was made by Tim Kessler and seconded by John Calvin to approve the loan review and recommendation as presented.

Motion passed by a roll call vote.

### Old Business

#### Arlington Community Development Corporation

A motion was made by Norbert Sebade and seconded by Don Kettering to approve extending the Grant Agreement until December 31, 2015.

Motion passed by a roll call vote.

#### Bellmark Properties, Inc.

A motion was made by Tony Klein and seconded by Dale Clement to approve the amended application as presented.

Motion passed by a roll call vote.

#### CMW Industrial Properties, LLC/SpecSys, Inc.

A motion was made by Tim Kessler and seconded by Sharon Casey to approve a commitment extension to December 31, 2015.

Motion passed by a roll call vote.

#### Northeast Council of Governments Development Corporation

A motion was made by Dale Clement and seconded by Mike Luken to approve maintaining a 3:1 match and reducing the GOED grant based on the final USDA loan.

Motion passed by a roll call vote.

#### PEDCO/Eagle Creek

A motion was made by Tony Klein and seconded by Tim Kessler to approve a financial waiver until September 30, 2015 and an ongoing waiver until July 31 of each year.

Motion passed by a roll call vote Don Kettering abstaining.

#### Kerry K. Engle Separate Property Trust

A motion was made by Dale Clement and seconded by Mike Luken to approve altering life insurance requirements for personal guarantors.

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

#### PEDCO/Pulse Processors

A motion was made by Tim Kessler and seconded by Dale Clement to approve allowing a subordinate mortgage.

Motion passed by a roll call vote.

### New Business

#### Showplace Wood Products

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

Motion passed by a roll call vote.

A motion was made by Norbert Sebade and seconded by Dale Clement to approve the loan request from Showplace Wood Products in the amount of \$4,185,000. Secured by a first position on the new building and a first position on equipment.

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  
Aberdeen Development Corporation (RLF) and Rural Electric Economic Development, Inc. (RLF)

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

Aberdeen Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Aberdeen 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.

Rural Electric Economic Development, Inc. (RLF)

- Approve an Economic Development Partnership grant award to the Rural Electric Economic Development, Inc. (RLF) in the amount of \$250,000.00, contingent upon securing a 4:1 match, 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 Belle Fourche

A motion was made by Tim Kessler and seconded by Mike Luken to approve the Local Infrastructure Improvement Program grant for the following borrower as recommended by staff and Grant Committee:

City of Belle Fourche

- Approve a Local Infrastructure Improvement grant award to the City of Belle Fourche in the amount of \$350,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

Grant County

A motion was made by Sharon Casey and seconded by Dale Clement to deny the Local Infrastructure Improvement Program grant as recommended by staff and Grant Committee.

Motion passed by a roll call vote.

Watertown Development Company

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

Motion passed by a roll call vote.

Bills

A motion was made by Mike Luken and seconded by John Calvin to approve the bill payable to May, Adam, Gerdes & Thompson LLP in the amount of \$2,606.50.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Don Kettering to adjourn the meeting at 10:45 a.m.

Motion passed by a roll call vote.



---

Dale Clement, Secretary or  
Tony Klein, Treasurer