

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

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Tom Burchill, Mike Luken, Greg Heineman, Ted Hustead, Don Kettering, Pat Prostrollo, Scott Parsley, and Tom Jones

Staff Present

Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Kim Easland, Ashley Moore, Cassie Stoeser, Cherissa Wright, Dale Knapp, and Mike Turnwall

Other Staff Present

Mandy Kuipers - BankWest, Inc.

Others Present

Bob Mercer

Call to Order

Chairman Erickson called the meeting to order at 9:32 A.M.

Agenda

A motion was made by Ted Hustead and seconded by Tom Burchill to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the minutes of the meetings held November 12, 2014, November 20, 2014 and December 2, 2014, as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Tom Burchill and seconded by Don Kettering to enter into executive session at 9:35 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 10:02 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 Mike Luken and seconded by Tom Burchill to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

3M Brookings – Project #2

A motion was made by Pat Prostrollo and seconded by Don Kettering to approve a one year extension to the project time period.

Motion passed by a roll call vote.

Arlington Community Development Corporation

A motion was made by Dale Clement and seconded by Don Kettering to approve an increase in wages and benefits in the amount of \$33,310, disbursed over the next three years as recommended by staff and Grant Committee.

Motion passed by a roll call vote.

GROW South Dakota

A motion was made by Tom Burchill and seconded by Ted Husted to approve a 180 day Grant Agreement extension.

Motion passed by a roll call vote.

TTJ Properties, LLC

A motion was made by Greg Heineman and seconded by Don Kettering to accept the offer of Griffith Properties, LLP, for an assignment of the Sheriff's certificate of sale for the former Midwest Performance Converter facility in Gary, South Dakota, subject to the following terms and conditions: (a) sale price is \$200,000 cash; (b) purchaser is responsible to pay all real property taxes, which purchaser understands are a prior lien on the property; (c) assignment conditioned on acceptance of the property "as is, where is"; (d) BED represents that the foreclosure was conducted in a manner such that upon expiration of the redemption period (and absent redemption by any party), the purchaser will receive a Sheriff's deed with no liens or encumbrances on the property except real property taxes and any special assessments that have attached or may attach to the property; (e) EDFA must approve a sale on similar terms and conditions; (f) purchaser is responsible for all remaining steps (and related costs) to obtain a Sheriff's certificate of sale; (g) risk of loss transfers to purchaser at the time of the assignment; (h) the parties will enter into a formal assignment that incorporates the foregoing terms; and (i) transaction must close and purchase price must be received no later than January 10, 2015.

Motion passed by a roll call vote.

New Business

Cattail Company

A motion was made by Ted Husted and seconded by Dale Clement to approve the loan request from Cattail Company in the amount of \$441,900. Secured by a sole first position on the real estate in New Hope, MN, a second position on the Sisseton property, and 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 roll call vote.

PEDCO/South Dakota Pulse Processors

A motion was made by Pat Prostrullo and seconded by Tony Klein to approve the loan request from PEDCO/South Dakota Pulse Processors in the amount of \$360,000. Secured by a shared first on real estate, assignment of lease and rents, and deposit account control 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.

Economic Development Partnership Program

Aberdeen Development Corporation, City of Kimball, Wagner Area Growth, Inc., and
Northeast Council of Governments (RLF)

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

Aberdeen Development Corporation

- Approve an Economic Development Partnership grant award to the Aberdeen Development Corporation in the amount of \$150,542.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

City of Kimball

- Approve an Economic Development Partnership grant award to the City of Kimball in the amount of \$40,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Wagner Area Growth, Inc.

- Approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$78,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Northeast Council of Governments (RLF)

- Approve an Economic Development Partnership grant award to the Northeast Council of Governments (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 roll call vote.

Local Infrastructure Improvement Program

City of Valley Springs

A motion was made by Tom Burchill and seconded by Greg Heineman to approve the Local Infrastructure Improvement Program grant for the following borrower as recommended by staff and Grant Committee:

City of Valley Springs

- Approve a Local Infrastructure Improvement grant award to the City of Valley Springs in the amount of \$75,000.00 to be used for the water/sewer extension only, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

PEG Project 1, LLC

A motion was made by Pat Prostrollo and seconded by Greg Heineman to approve the Reinvestment Payment application of PEG Project 1, LLC 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 PEG Project 1, LLC for an equipment upgrades

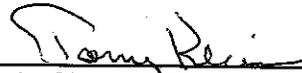
reinvestment payment of up to \$356,420.00, but not to exceed 100 % of the State Sales and Use Tax paid on eligible equipment costs, is approved for PEG Project 1, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines 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.

Adjourn

A motion was made by Tony Klein and seconded by Pat Prostrollo to adjourn the meeting at 10:15 a.m.

Motion passed by a roll call vote.



Dale Clement, Secretary or
Tony Klein, Treasurer