**SOUTH DAKOTA DEPARTMENT OF AGRICULTURE**

**VALUE ADDED FINANCE AUTHORITY**

**MINUTES OF THE PUBLIC MEETING**

**January 30th– 31st, 2019**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting and public hearings on Wednesday January 30th, and Thursday January 31st, at the Zeal Center for Entrepreneurship 2329 N Career Ave, Sioux Falls, South Dakota.

Board Members Present: Board Members Absent:

Mark Gross, Vice Chairman Bob Hull, Chairman

Jim Schmidt Jim Doolittle

Nathan Jensen

Marcia Hendrickson

Chuck Jepson

Staff Present:

Terri LaBrie, Executive Director VAFA

Haylee Beehler, SDDA Ag Development Specialist

**Call to Order:** Vice Chairman Gross opened the meeting at 1:35 p.m. CT and asked for roll call. A quorum was present.

**Agenda:** Vice Chairman Gross asked for any additions to the agenda, none were mentioned.

 A motion to approve the agenda was made by Nathan Jensen and seconded by Chuck Jepson. Motion passed by unanimous vote.

Ms. LaBrie gave a training presentation for the Board members to review Open Meeting Laws and updates for the board.

**Tour of the SAB Biotherapeutics Lab, Sioux Falls**

**Tour of the SAB Biotherapeutics Pharm, Canton**

**Motion to adjourn** until 8:00 a.m. on January 31st, 2019 was made by Marcia Hendrickson and seconded by Chuck Jepson. Motion passed by unanimous vote.

**January 31st, 2019 Zeal Center for Entrepreneurship – Conference Room 220**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting and public hearings on Thursday, January 31st, at the Zeal Center for Entrepreneurship 2329 N Career Ave, Sioux Falls, South Dakota and via teleconference.

Board Members Present: Board Members Absent:

Bob Hull, Chairman

Mark Gross, Vice Chairman

Nathan Jensen

Marcia Hendrickson

Jim Doolittle

Jim Schmidt

Chuck Jepson

Staff Present:

Terri LaBrie, Executive Director VAFA,

Kimberly Sturm, SDDA Grant and Loan Specialist,

Jeremy Freking, SDDA Outreach and Operations Director

Bryan Sanderson, SDDA Business Development Director

Haylee Beehler, SDDA Ag Development Specialist

Others Present:

John Gunderson JHGAS Farms LLC. Ann Schiefen JHGAS Farms LLC.

Annicka Gunderson, JHGAS Farms LLC. Andy Gunderson JHGAS Farms LLC.

Steven Kallas Shirley Stein, Orange Creek Fields LLC.

Bryan Carter, Sturgis Land & Investment Michael Crinion, Global Dairy,

Matt Winsand, YAPG

**Reconvene public meeting**: Chairman Hull reconvened the meeting at 8:01 a.m. CT and asked for roll call. A quorum was present.

**Agenda:** Chairman Hull asked for any additions to the agenda, none were mentioned.

 A motion to approve the agenda was made by Jim Schmidt and seconded by Chuck Jepson. Motion passed by unanimous vote.

**Minutes:** A motion to approve the minutes dated December 20th, 2018 was made by Jim Schmidt and seconded by Mark Gross. Motion passed by unanimous vote.

**Sturgis Land and Investment Company AGBBP #5-0015 Public Hearing and Resolution B:** Ms. LaBrie informed the board a Notice of Public Hearing was published in the Black Hills Pioneer on January 5th, 2019 for an Agribusiness Bond for Sturgis Land and Investment Company for up to $2,000,000 to assist in the purchase of property and construction of a processing facility/brewery. Bryan Carter was on the line to answer any questions. No written public comments were received by staff. No oral comments were made at the hearing for or against the project. Ms. LaBrie mentioned the bond purchaser is Pioneer Bank and Trust and the applicant meets the qualification criteria and recommended the board approve the bond and pass Resolution B pending Bond Counsel review.

A motion to approve staff recommendation and pass Resolution B pending Bond Counsel review was made by Mark Gross, and seconded by Marcia Hendrickson. Motion passed by unanimous roll call vote.

**Sturgis Brewing Company AGBBP #5-0016 Public Hearing and Resolution B:** Ms. LaBrie informed the board a Notice of Public Hearing was published in the Black Hills Pioneer on January 5th, 2019 for an Agribusiness Bond for Sturgis Brewing Company for up to $1,000,000 for the purchase of bins, tanks and equipment for use in brewing. Bryan Carter was on the line to answer any questions. No written public comments were received by staff. No oral comments were made at the hearing for or against the project. Ms. LaBrie mentioned the bond purchaser is Pioneer Bank and Trust and the applicant meets the eligibility criteria and recommended the board approve the bond and pass Resolution B pending Bond Counsel review.

A motion to approve staff recommendation and pass Resolution B pending Bond Counsel review was made by Jim Schmidt, and seconded by Chuck Jepson. Motion passed by unanimous roll call vote

**JHGAS Farms LLC. LNMBP #6-0036 Application and Resolution A:** Ms. LaBrie informed the board JHGAS Farms LLC from Irene, SD are applying for a $1,420,013.40 Livestock Nutrient Management Bond for the solid waste disposal portion of constructing two 2400 head wean to finish hog confinement buildings in Yankton County. John Gunderson, Ann Schiefen, Andy Gunderson and Annicka Gunderson were on the line to provide the board some background and answer any questions from the board on the project. Ms. LaBrie mentioned the applicant and the project meets the eligibility criteria and recommends the board approve the application and pass Resolution A.

A motion to approve staff recommendation to approve the application and pass Resolution A was made by Jim Schmidt, and seconded by Chuck Jepson. Motion passed by unanimous roll call vote

**Steven Kallas BFBP #2-0089 Application and Resolution A:** Ms. LaBrie informed the board Steven Kallas from Wetonka SD is applying for a Beginning Farmer Bond up to $543,800 to purchase 160 acres in McPherson County. Steven Kallas and Shirley Stein from Orange Creek Fields LLC were on the line to answer any questions from the board. Ms. LaBrie informed the board the applicant meets all the qualifying criteria and recommended the board approve the application and pass Resolution A.

A motion to approve staff recommendation to approve the application and pass Resolution A was made by Marcia Hendrickson, and seconded by Nathan Jensen. Motion passed by unanimous roll call vote.

**Global Dairy #2014.01.AG Extension Request:** Ms. LaBrie informed the board Global Dairy was approved for a VASF loan for $84,000 in 2014 that currently holds a balance of $80,886.15. Michael Crinion was on the line and discussed the need for another year extension for repayment. The board discussed options for repayment and asked for a staff recommendation. Ms. LaBrie reminded the board their financials were included in the board packet and recommended the board either approves a six month extension for repayment or a smaller payment amount beginning immediately. More discussion between Mr. Crinion and the board took place.

A motion to approve staff recommendation of a 6 month payment moratorium was made by Mark Gross and seconded by Nathan Jensen. Motion passed by unanimous vote.

**Executive Director’s Report:** Ms. LaBrie gave a quick update on the status of our active VASF projects and informed the board of the current balances of the projects. Ms. LaBrie then gave a quick update about the VASF Ring Neck Ethanol Plant Project. The Value Added Agribusiness Relending Program update was also given regarding availability of funds to loan.

Guest Speaker Matt Winsand from Yankton Area Progressive Growth gave a presentation about the Napa Junction Rail Park.

The next VAFA meeting is scheduled for February 28th, 2019 via conference call.

A motion to adjourn was made by Mark Gross and seconded by Jim Doolittle. Motion passed by unanimous vote and the meeting adjourned at 8:56 a.m. CT.

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Bob Hull, VAFA Chairman Date