**SOUTH DAKOTA**

**VALUE ADDED FINANCE AUTHORITY**

**MINUTES OF THE PUBLIC HEARING and MEETING**

**March 28th, 2019**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting on Thursday, March 28th, 2019, at the SDDA Conference Room, Third Floor, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota and via teleconference.

Board Members Present: Board Members Absent:

Bob Hull, Chairman

Mark Gross, Vice Chairman

Jim Doolittle

Jim Schmidt

Nathan Jensen

Marcia Hendrickson

Chuck Jepson

Staff Present:

Terri LaBrie, Executive Director VAFA, Kimberly Sturm, SDDA Grant and Loan Specialist

Others Present:

Bob Mercer, Keloland Garrett Smith, Farmers & Merchants Bank

Cassie Stoeser, GOED Ashley Moore, GOED

Matthew Jackson, Jackson Winery & Vineyards LLC

**Call to Order:** Chairman Hull opened the meeting at 8:02 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 Mark Gross and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.

**Conflict of Interest:** Chairman Hull asked for any conflicts of interest. None were mentioned.

**Minutes:** A motion to approve the minutes dated February 28th, 2019 was made by Jim Schmidt and seconded by Marcia Hendrickson. Motion passed by unanimous roll call vote.

**Joshua Larson #1-0155 Public Hearing and Resolution M:** Ms. LaBrie informed the board Joshua Larson was issued a Beginning Farmer Bond back in November of 1999 and is requesting a change to the terms of the bond. Garrett Smith from Farmers and Merchants Bank was on the line. Mr. Smith mentioned they are requesting to reset the loan on a 5-year amortization with semi-annual payments with a maturity date extended to March 2024. Ms. LaBrie mentioned since this affects the maturity date, a Public Hearing must be held. A Notice of Public Hearing was published in the Sanborn Journal on March 7th, 2019. No written public comments were received by staff. No oral comments were made at the hearing for or against the project. Ms. LaBrie recommended the board approve the term change and pass Resolution M.

A motion to approve staff recommendation and pass Resolution M was made by Mark Gross, and seconded by Nathan Jensen. Motion passed by unanimous roll call vote.

**Jackson Winery & Vineyards, LLC VAARP #2019-01 Application and Resolution:** Ms. LaBrie informed the board Matthew Jackson from Jackson Winery and Vineyards, LLC is applying for a $30,000 Value Added Agribusiness Relending Program loan for equipment that includes a press, riddler machine and a cage. Matthew Jackson was on the line and mentioned this equipment will help them become more competitive in the market. Ms. LaBrie reminded the board Jackson Winery and Vineyards LLC were issued a VAARP loan in 2013 and have made every payment on time. Ms. LaBrie recommended the board approve the loan at 3% for 7 years with the equipment as additional collateral and pass the Resolution.

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

**In-State Counsel Resolution:** Ms. LaBrie informed the board that it’s required that bonds of the Authority must be countersigned by a licensed attorney who is a resident of South Dakota. Due to the transition of the VAFA board to the Governor’s Office of Economic Development, the department of agriculture’s In-State Counsel recommended to search for a replacement. Ms. LaBrie mentioned Tim Engel from May Adam Gerdes and Thompson, LLP has provided legal counsel in the past for the board and recommends the board hire Tim Engel as their in-state counsel to counter sign the bonds.

A motion to approve staff recommendation was made by Jim Schmidt and seconded by Mark Gross. Motion passed by unanimous roll call vote.

The next VAFA meeting is scheduled for April 25th, 2019 via teleconference.

A motion to adjourn was made by Jim Schmidt and seconded by Chuck Jepson. Motion passed by unanimous roll call vote and the meeting adjourned at 8:22 a.m. CT.

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Bob Hull, VAFA Chairman Date