

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JANUARY 9, 2024, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Matt Judson, Mike Luken, Tom Jones, Joy Nelson, Craig Christianson, Brad Moore, Reynold Nesiba and Kameron Nelson

Staff Present

Deputy Commissioner Jesse Fonkert, Travis Dovre, Ashley Moore, Jack Valentine, Nadine Agneau, Stephanie Deyo, Nick Rabern, Joe Fiala, Adam Molseed, Curtis Egan, Tanner Beukelman, Brenna Block, Katherine Kirby, Missy Sinner and Ann Gesick-Johnson

Other Staff Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 10:02 a.m.

Agenda

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

Motion passed by a voice vote.

Minutes

A motion was made by Joy Nelson and seconded by Tom Jones to approve the minutes of the meetings held December 13, 2023 and January 2, 2024, as presented.

Motion passed by a voice vote.

Conflicts Disclosure

Chairman Erickson opened the floor for board members to identify potential conflicts under SDCL Chapter 3-23. There were none from board members and no objection to proceeding with the agenda.

Public Comments – none

Executive Session

A motion was made by Matt Judson and seconded by Craig Christianson to enter into Executive Session at 10:08 a.m. to discuss contractual matters, and to discuss commercial and financial information relating to loan and other assistance applicants. SDCL 1-16G-11

Motion passed by a voice vote.

Executive Session Report

The Chairman declared the board out of Executive Session at 10:42 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 was 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 voice vote.

Old Business

The Plains Apartments

A motion was made by Don Kettering and seconded by Matt Judson to approve the third commitment letter extending the loan commitment to August 1, 2024 and recommendations as presented and discussed.
Motion passed by a voice vote.

SFP, LLC

A motion was made by Brad Moore and seconded by Joy Nelson to approve extending the RPP construction start date to December 17, 2024.
Motion passed by a voice vote.

New Business

Cheese World, LLC

A motion was made by Craig Christianson and seconded by Mike Luken to approve a waiver of a loan over \$100,000 and approve the Cheese World, LLC project be awarded VASF funds in the amount of \$360,000 or 45% of the total eligible project costs. We further recommend this project be classified as a loan. If the concept is found feasible and the project proceeds with business creation, this amount will be repaid by the applicant according to the terms and conditions set forth in the VASF Loan Agreement.
Motion passed by a voice vote.

DeGeest Corp

A motion was made by Matt Judson and seconded by Don Kettering to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from DeGeest Corp in the amount of \$3,500,000. Secured by a prorated shared first lien position on assets and the personal guarantees from 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 voice vote.

DeGeest Corp

A motion was made by Mike Luken and seconded by Tom Jones to approve a SD Works loan request from DeGeest Corp in the amount of \$950,000. Secured by a sole second lien position on assets and the personal guarantees from 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 voice vote.

IMP Properties, LLC

A motion was made by Joy Nelson and seconded by Matt Judson to approve a REDI loan request from IMP Properties, LLC in the amount of \$617,828. Secured by a shared first

collateral position on financed assets, the personal guarantees from principals with 10% or more ownership and a corporate guaranty.

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 voice vote.

IMP Properties, LLC

A motion was made by Mike Luken and seconded by Brad Moore to approve a SD Works loan request from IMP Properties, LLC in the amount of \$176,522. Secured by a second lien position on finance assets, the personal guarantees from principals with 10% or more ownership and a corporate guaranty.

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 voice vote.

Kayla Lux

A motion was made by Don Kettering and seconded by Mike Luken to approve a SD Works loan request from Kayla Lux in the amount of \$400,000. Secured by a second lien position on the CRE, a blanket second lien UCC on the chattel assets, the personal guarantees from principals with 10% or more ownership and a corporate guaranty.

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 voice vote.

Bills

A motion was made by Mike Luken and seconded by Craig Christianson to approve the bill payable to Department of Legislative Audit in the amount of \$27,264.70.

Motion passed by a voice vote.

Adjourn

A motion was made by Matt Judson and seconded by Mike Luken to adjourn the meeting at 10:53 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer