

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, JUNE 12, 2024, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Matt Judson, Sharon Casey, Mike Luken, Tom Jones, Reed Kessler, Joy Nelson, Kevin Tetzlaff, David Emery, Craig Christianson, Brad Moore and Reynold Nesiba

Staff Present

Ashley Moore, Jack Valentine, Stephanie Deyo, Lexxy Phillips, Nick Rabern, Joe Fiala, Nadine Agneau, Adam Molseed, Katherine Kirby, Ann Gesick-Johnson, Tanner Beukelman and Alissa Sendelbach

Other Staff Present

Shawn Hofer – BankWest, Inc.

Others Present

Bob Mercer – Keloland News
Joshua Haiar – South Dakota Searchlight

Call to Order

Chairman Erickson called the meeting to order at 10:00 a.m.

Agenda

A motion was made by Joy Nelson and seconded by Mike Luken to approve the agenda as amended to remove Donlin Marine, LLC and City of Viborg.
Motion passed by a voice vote.

Minutes

A motion was made by Don Kettering and seconded by Craig Christianson to approve the minutes of the meetings held May 15, 2023, May 28, 2024 and June 3, 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. Kevin Tetzlaff declared a potential conflict with Grant County Development Corporation due to banking relations and did not partake in the discussion or vote on the project. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from the board members and no objection to proceeding with the agenda.

Public Comments – none

Casey Peterson, LTD Accounting Contract

A motion was made by Sharon Casey and seconded by Brad Moore to approve the Casey Peterson, LTD accounting contract as presented.
Motion passed by a voice vote.

Executive Session

A motion was made by Matt Judson and seconded by Reed Kessler to enter into Executive Session at 10:16 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 10:41 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters, 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 Sharon Casey to approve the Chairman's report from Executive Session.

Motion passed by a voice vote.

Reviews

Grant Reviews

Local Infrastructure Improvement Program (Clark County) and Reinvestment Payment Program (Wild Springs Solar, LLC, Red's All Natural, LLC, Valley Queen Cheese Factory, Norway Pork OP, LLC, Redstone Dairy, LLP and Royal Canin, US)

A motion was made by Brad Moore and seconded by Matt Judson to approve the grant reviews and recommendations as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Old Business

Driftwood Dairy

A motion was made by Craig Christianson and seconded by Don Kettering to approve extending the construction start date to June 12, 2025.

Motion passed by a voice vote.

Grant County Development Corporation

A motion was made by Sharon Casey and seconded by Don Kettering to approve an extension of the grant agreement expiration date to May 30, 2025.

Motion passed by a voice vote.

Norway Pork OP, LLC

A motion was made by Kevin Tetzlaff and seconded by Don Kettering to approve extending the construction start date to April 30, 2025.

Motion passed by a voice vote.

Watertown Development Corporation/Sentry, LLC

A motion was made by Craig Christianson and seconded by Kevin Tetzlaff to approve matching the lender as presented.

Motion passed by a voice vote.

New Business

BibiSol, LLC

A motion was made by Reed Kessler and seconded by Don Kettering to approve a SD Works loan request from BibiSol, LLC in the amount of \$57,300. Secured by a second position UCC

filing on all business 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.

R & F Holdings, LLC

A motion was made by David Emery and seconded by Tom Jones to approve a SD Works loan request from R & F Holdings, LLC in the amount of \$364,000. Secured by a sole second lien position on the CRE, a second UCC on the equipment, FF&E and 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.

Grant County Development Corporation

A motion was made by Brad Moore and seconded by to approve a REDI loan request from Grant County Development Corporation in the amount of \$426,025. Secured by a shared first lien position on the land, lots and improvements to the industrial park.

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 with Kevin Tetzlaff abstaining.

JMP Design and Catering, LLC

A motion was made by Sharon Casey and seconded by David Emery to approve a SD Works loan request from JMP Design and Catering, LLC in the amount of \$549,696. Secured by a sole second lien position mortgage on the CRE assets, blanket UCC on equipment and FF&E 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.

Midstates, Inc.

A motion was made by Mike Luken and seconded by Reed Kessler to approve a SD Works loan request from Midstates, Inc. in the amount of \$800,000. Secured by a sole second position on financed equipment, a 1:1 draw 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.

Never Too Busy Construction

A motion was made by Don Kettering and seconded by Joy Nelson to approve a SD Works loan request from Never Too Busy Construction in the amount of \$46,500. Secured by a second UCC filing on all business 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.

Economic Development Partnership Program

City of Dell Rapids

A motion was made by Mike Luken and seconded by David Emery to approve an Economic Development Partnership grant award to the City of Dell Rapids in the amount of \$1,000 not to exceed 50% of project costs in accordance with the board's Economic Development Award Policy for Training Only as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Local Infrastructure Improvement Program

City of Canton

A motion was made by Mike Luken and seconded by Kevin Tetzlaff to approve a Local Infrastructure Improvement grant award to the City of Canton in the amount of \$423,000 but not to exceed 50% of the eligible project costs, to be granted in accordance with the boards Local Infrastructure Improvement Award Policy as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Adjourn

A motion was made by Joy Nelson and seconded by Sharon Casey to adjourn the meeting at 10:56 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer