

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

Members Present

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

Staff Present

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

Other Staff Present

Mike Bietz and 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 10:01 a.m.

Agenda

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

Motion passed by a voice vote.

Minutes

A motion was made by Brad Moore and seconded by Kevin Tetzlaff to approve the minutes of the meetings held June 12, 2024 and July 1, 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 Tom Jones to enter into Executive Session at 10:15 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 10:45 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 Craig Christianson and seconded by Don Kettering to approve the Chairman's report from Executive Session.
Motion passed by a voice vote.

Old Business

EBC Holdings, LLC

A motion was made by Kevin Tetzlaff and seconded by Brad Moore to approve a 90-day commitment extension.
Motion passed by a voice vote.

Klez, LLC

A motion was made by Don Kettering and seconded by David Emery to approve the modification of loan terms as presented.
Motion passed by a voice vote.

New Business

JH Investments, LLC

A motion was made by Reed Kessler and seconded by David Emery to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from JH Investments, LLC in the amount of \$6,750,000. Secured by a shared first position on real estate, second position UCC on business assets, 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.

The Sweat Zone, LLC

A motion was made by Don Kettering and seconded by Brad Moore to approve a SD Works loan request from The Sweat Zone, LLC in the amount of \$106,172. Secured by a second lien position on the real estate, a UCC on 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.

Reinvestment Payment Program

Masaba, Inc.

A motion was made by Kevin Tetzlaff and seconded by David Emery to approve the Reinvestment Payment Program grant application to Masaba, Inc. as recommended by staff.

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, a new or expanded facility reinvestment payment of \$315,000 but not to exceed 50% percent of State Sales/Use Tax paid on eligible project

costs, is approved for Masaba, Inc. 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 voice vote.

Adjourn

A motion was made by Craig Christianson and seconded by Kevin Tetzlaff to adjourn the meeting at 10:53 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer