

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, AUGUST 14, 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, Reynold Nesiba and Kameron Nelson

Staff Present

Deputy Commissioner Jesse Fonkert, Ashley Moore, Jack Valentine, Stephanie Deyo, Lexxy Phillips, Nick Rabern, Nadine Agneau, Adam Molseed, Ann Gesick-Johnson, Tanner Beukelman and Joe Fiala

Other Staff Present

Shawn Hofer – BankWest, Inc.
Tim Engel – May, Adam, Gerdes & Thompson LLP

Others Present

Bob Mercer – Keloland News

Call to Order

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

Agenda

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

Motion passed by a voice vote.

Minutes

A motion was made by Joy Nelson and seconded by Reed Kessler to approve the minutes of the meetings held July 10, 2024 and August 5, 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. Jeff Erickson declared a potential conflict with Community Coordinated Transportation Systems as he is on the Board of Directors for American Bank and Trust and SFC Global Supply Chain, Inc. as he is on the board of directors for Schwan's Company would not partake in the discussion or vote on the project. Joy Nelson declared a potential conflict with Community Coordinated Transportation Systems as she is on the Board of Directors for American Bank and Trust and would 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

Executive Session

A motion was made by Reed Kessler and seconded by Matt Judson to enter into Executive Session at 10:15 a.m. to consult with legal counsel, discuss contractual matters, and to discuss

commercial and financial information relating to loan and other assistance applicants. SDCL 1-16G-11, 1-25-2(3) and 19-19-502

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 consult with legal counsel, 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.

Old Business

Mitchell Area Development Corporation

A motion was made by Joy Nelson and seconded by Don Kettering to approve extending the grant agreement expiration date to October 1, 2024.

Motion passed by a voice vote.

SD Works Memo

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

Motion passed by a voice vote.

New Business

Community Coordinated Transportation Systems

A motion was made by Reed Kessler and seconded by Tom Jones to approve a SD Works loan request from Community Coordinated Transportation Systems in the amount of \$375,000.

Secured by a sole second position on the real estate and a sole second security position on all business assets.

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 Jeff Erickson and Joy Nelson abstaining.

Reinvestment Payment Program

Parker Hannifin

A motion was made by Don Kettering and seconded by Reed Kessler to approve the Reinvestment Payment Program grant application to Parker Hannifin 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 up to \$100,219 but not to exceed 50% percent of the actual State Sales/Use Tax paid on eligible machinery and equipment costs, is approved for Parker Hannifin (Baldwin Filters). 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.

SFC Global Supply Chain, Inc.

A motion was made by Mike Luken and seconded by Reed Kessler to approve the Reinvestment Payment Program grant application to SFC Global Supply Chain, 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 up to 100% but not to exceed the amount of the actual State Sales/Use Tax paid on eligible project costs not to exceed \$750,000,000, is approved for SFC Global Supply Chain, 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 with Jeff Erickson abstaining.

Adjourn

A motion was made by Sharon Casey and seconded by Reed Kessler to adjourn the meeting at 10:53 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer