

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, SEPTEMBER 14, 2022, 10:00 A.M., CT**

Members Present

Vice-Chairman Don Kettering, Matt Judson, Sharon Casey, Mike Luken, Ted Husted, Tom Jones, Reed Kessler, Joy Nelson, Pat Burchill, Kevin Tetzlaff and David Emery

Staff Present

Commissioner Steve Westra, Deputy Commissioner Chris Schilken, Travis Dovre, Ashley Moore, Jack Valentine, Cathleen Rouillard, Nadine Agneau, Dale Knapp and Ann Gesick Johnson

Other Staff Present

Mike Bietz and Andrew Coppersmith – BankWest, Inc.

Other's Present

Bob Mercer – Keloland News
Brian Coyle – Liberty National Bank
Kent Penney – KLJ
Tim Engel – May, Adam, Gerdes & Thompson LLP

Call to Order

Vice-Chairman Kettering called the meeting to order at 10:01 a.m.

Agenda

A motion was made by Matt Judson and seconded by Joy Nelson to approve the agenda as approved.

Motion passed by a voice vote.

Minutes

A motion was made by Mike Luken and seconded by Sharon Casey to approve the minutes of the meeting held August 10, 2022, August 22, 2022 and September 6, 2022, as presented.

Motion passed by a voice vote.

Conflicts Disclosure

Vice-Chairman Kettering opened the floor for board members to identify potential conflicts under SDCL Chapter 3-23. Kevin Tetzlaff declared potential conflicts with Bluestem Family Farms, LLC and Driftwood Dairy due to banking relations and would not partake in the discussion or vote on the project. The Vice-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 Matt Judson and seconded by Pat Burchill to enter into Executive Session at 10:10 a.m. to consult with legal counsel concerning contractual matters, discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. SDCL 1-25-2(4) and SDCL 1-16G-11.

Motion passed by a voice vote.

Executive Session Report

The Chairman declared the board out of Executive Session at 10:59 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to consult with legal counsel concerning contractual matters, 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 Sharon Casey and seconded by Ted Hustead to approve the Chairman's report from Executive Session.

Motion passed by a voice vote.

Grant Reviews

Local Infrastructure Improvement Program (City of Box Elder and Turner County) and Reinvestment Payment Program (Link Snacks, Inc. and Royal Canin, US)

A motion was made by Mike Luken and seconded by Kevin Tetzlaff to approve the grant reviews and recommendations as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Loan Review Summary

SSM, LLC

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

Motion passed by a voice vote.

Old Business

Belle Fourche Development Corporation

A motion was made by Ted Hustead and seconded by Mike Luken to approve extending the grant agreement for the Belle Fourche Development Corporation to December 31, 2022.

Motion passed by a voice vote.

City of Box Elder

A motion was made by Pat Burchill and seconded by Joy Nelson to approve changing the sources of funding as presented for City of Box Elder as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Fall River Solar, LLC

A motion was made by Sharon Casey and seconded by Ted Hustead to approve extending the permit expiration date to December 11, 2022, retroactive to current permit expiration date of June 20, 2022.

Motion passed by a voice vote.

Fox Run Townhomes, LLC

A motion was made by Matt Judson and seconded by Tom Jones to approve a loan commitment extension to January 15, 2023.

Motion passed by a voice vote.

North Sioux City Economic Development Corporation

A motion was made by Pat Burchill and seconded by Ted Hustead to approve the Avigation Easement as presented.

Motion passed by a voice vote.

New Business

Local Infrastructure Improvement Program

City of Britton

A motion was made by Joy Nelson and seconded by Kevin Tetzlaff to approve the Local Infrastructure Improvement grant award to City of Britton in the amount of \$65,368.75, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy as recommended by staff and Grant Committee.

Motion passed by a voice vote.

Reinvestment Payment Program

Black Tie Components, LLC

A motion was made by Pat Burchill and seconded by Matt Judson to table the Reinvestment Payment Program grant application to Black Tie Components, LLC as discussed.

Motion passed by a voice vote.

Bluestem Family Farms, LLC

A motion was made by Mike Luken and seconded by Ted Husted to approve the Reinvestment Payment Program grant application to Bluestem Family Farms, LLC 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 \$517,517 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Bluestem Family Farms, LLC. 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 Kevin Tetzlaff abstaining.

Driftwood Dairy

A motion was made by Sharon Casey and seconded by David Emery to approve the Reinvestment Payment Program grant application to Driftwood Dairy 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 \$265,136 but not to exceed 100% percent of State Sales/Use Tax paid on eligible project costs, is approved for Driftwood Dairy. 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.

Kingston, LLC

A motion was made by Ted Hustead and seconded by Pat Burchill to approve the Reinvestment Payment Program grant application to Kingston, LLC 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 \$1,213,758 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Kingston LLC. 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 Kevin Tetzlaff abstaining.

Adjourn

A motion was made by Mike Luken and seconded by Joy Nelson to adjourn the meeting at 11:07 a.m.

Matt Judson, Treasurer