

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

Members Present

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

Staff Present

Commissioner Joe Fiala, Ashley Moore, Jack Valentine, Stephanie Deyo, Nick Rabern, Nadine Agneau, Tanner Beukelman, Katherine Kirby, Curtis Egan and Dale Knapp

Other Staff Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

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 Joy Nelson and seconded by Don Kettering to approve the agenda as presented.

Motion passed by a voice vote.

Minutes

A motion was made by Mike Luken and seconded by Tom Jones to approve the minutes of the meeting held September 11, 2024 as presented.

Motion passed by a voice vote.

Reinvestment Payment Program Memo

A motion was made by Don Kettering and seconded by Reed Kessler to approve the revised Reinvestment Payment Program Grant Agreement 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. Mike Luken declared a potential conflict with Borns Group, Inc. due to family relations 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 Sharon Casey and seconded by Mike Luken to enter into Executive Session at 10:14 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 10:28 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 Reed Kessler and seconded by Don Kettering to approve the Chairman's report from Executive Session.

Motion passed by a voice vote.

Old Business

Borns Group, Inc.

A motion was made by Joy Nelson and seconded by Craig Christianson to approve a REDI commitment extension to June 13, 2025.

Motion passed by a voice vote with Mike Luken abstaining.

CCLLA. LLC

A motion was made by Craig Christianson and seconded by Sharon Casey to approve the changes as presented.

Motion passed by a voice vote.

City of Hartford

A motion was made by Joy Nelson and seconded by Mike Luken to approve the LIIP grant agreement extension to December 31, 2024.

Motion passed by a voice vote.

New Business

Smack Holdings USA, LLC

A motion was made by Don Kettering and seconded by Reed Kessler to approve a SD Works loan request from Smack Holdings USA, LLC in the amount of \$1,500,000. Secured by a second position on real estate, second position UCC, personal guaranties 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.

Smack Holdings USA, LLC

A motion was made by Reed Kessler and seconded by Craig Christianson to approve a REDI loan request from Smack Holdings USA, LLC in the amount of \$1,000,000. Secured by a pro rata shared first position on the real estate, pro rata shared first UCC, personal guaranties from principals with 10% or more ownership, a corporate guaranty and waive the 10% equity requirement.

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.

Adjourn

A motion was made by Mike Luken and seconded by Reed Kessler to adjourn the meeting at 10:35 a.m.
Motion passed by a voice vote.

Matt Judson, Treasurer

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