

Public / Private / Partnership

State of South Dakota

Yankton County / Lyman County

Dakota Plains Ag Center / Dakota Mill Grain

Yankton Area Progressive Growth



Securities



Historical Overview

- 2010 Dakota Plains purchased 200+ acres at the “Napa Junction”
- Intent was to construct a 5 Million bushel capacity grain elevator
- Total costs were estimated at \$40M +
 - This did not include road / electrical substation
 - Road was an additional \$6+ million
 - Electrical substation was \$2+ million
 - In the end the total project costs exceeded \$50M



Securities





Historical Overview

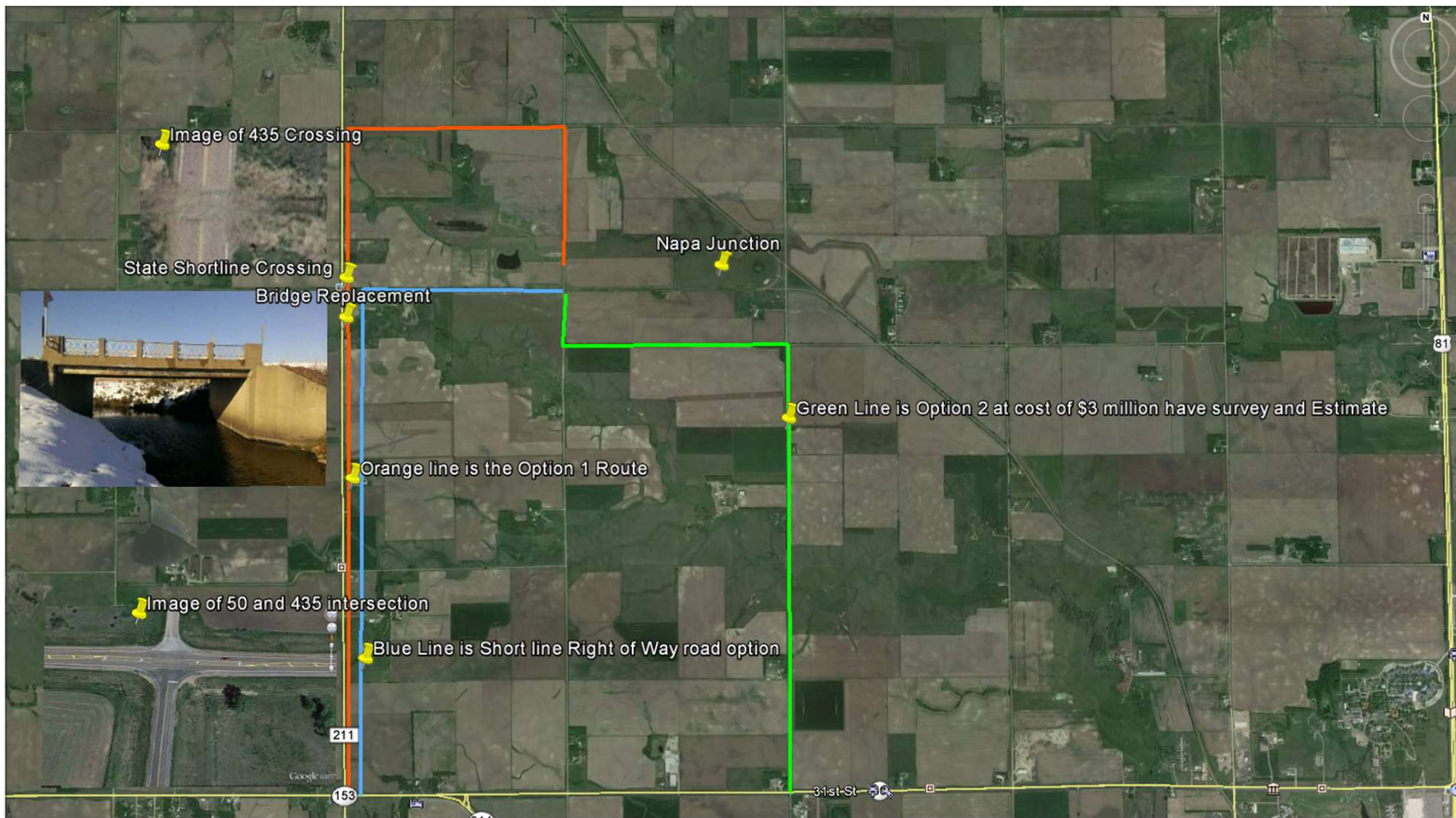
- 2010 to 2013 Dakota Plains struggled with Yankton County regarding impact to road(s)
- 2013-2015 on-going discussions and multiple meetings occurred and the following happened:



Multiple Engineer Studies

- Traffic Impact Study / Maintenance Study
- Cost Estimate for each route
 - Bridge issues
 - Wetland issues
- Potential turning lanes
 - Who would pick up the cost
- Could this “site” be a rail park for other industries?





2015

- Four new Yankton County Commissioners were elected
- Zoning was approved
- Final road site was chosen
- Tax Increment District was created
 - Developers Agreement was signed with Dakota Plains and Yankton County
- Application to SD DOT for a LOAN – no grant



SD DOT Loan

- Last resort when no other options are available
 - Dakota Plains budget reached its maximum amount
 - Parent companies Cargill / Agrex were about to pull the plug on the project
 - County restrictions when it comes to borrowing money
 - SD DOT was the only viable option



Securities



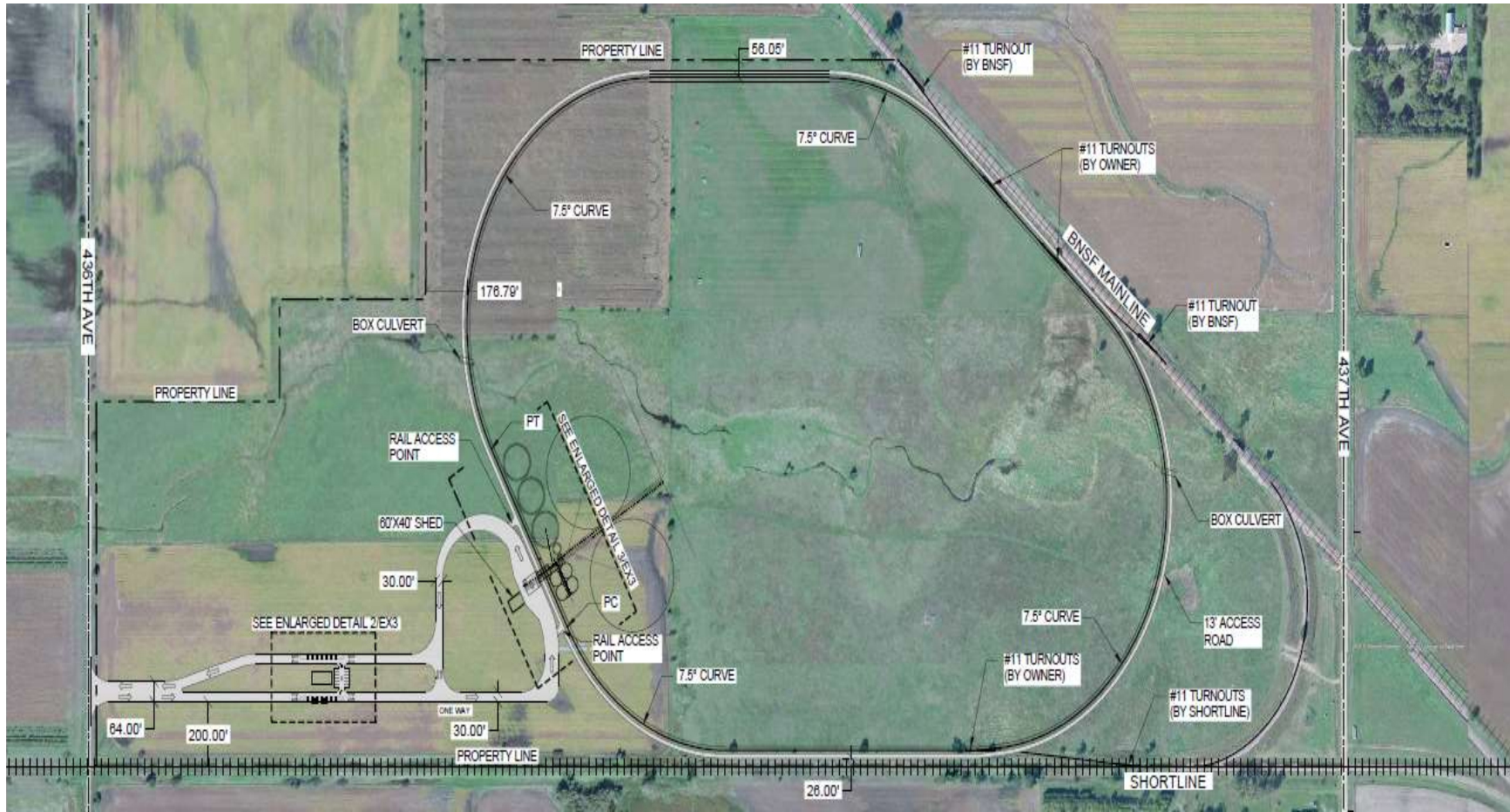
SD DOT Loan Terms

- Yankton County would be the borrower
 - County would pledge their STP funds
 - County would pledge the increment from the TIF to SD DOT
 - Dakota Plains would guarantee the loan to the County, if TIF funds were insufficient for debt service



Securities



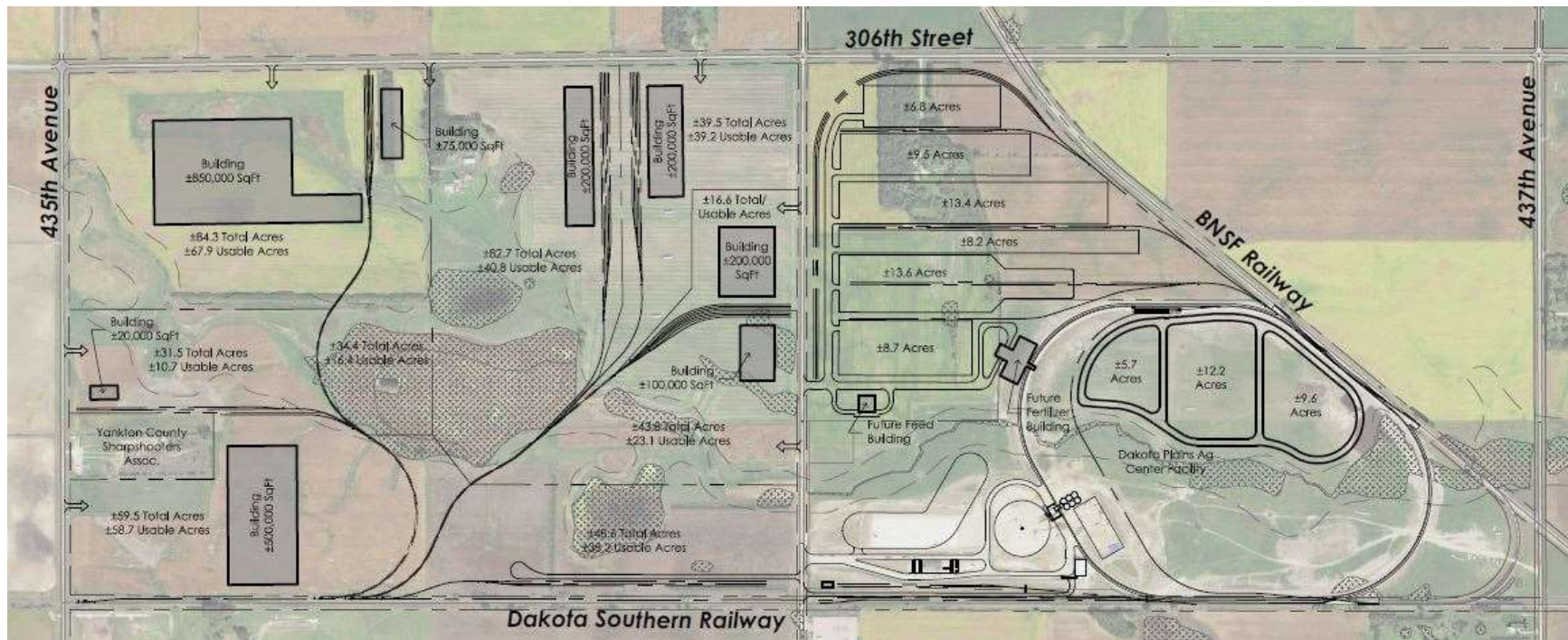


Future Development

- Worked with Yankton Area Progressive – YAPG- to develop this single site into a Mega Site
- Dakota Plains and YAPG partnered to recruit new industries to this site
- Dakota Plains agreed to allow non-competitive companies to access their rail loop



Potential Rail Park



SD DOT Loan Terms

- Borrowing Amount of \$6,000,000
- Interest rate of 1%
- Balloon payment of 7 years
- 20 year amortization – cash flow
- Construction started in 2016 and finished in November of 2017
- First payment due in 2018 in the amount of \$334,350





TIF Revenue

- In 2018 the TIF was not generating the full debt service- Dakota Plains MADE an additional \$180,000 towards the debt service
- In 2019 / 2020 an additional \$94,650 was applied to principle from excess TIF

Repayment History

- TIF Revenue for Debt Service
 - Required payment of \$334,500
 - In 2019 and 2020 payment in the amount of \$429,000 was made
 - Ending balance of 2020 was \$4,975,270



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Additional Development

- 2019 Dakota Protein started construction
 - Pellet Mill facility
 - \$18 Million project cost
 - 50,000 sq. foot building
 - Estimated payroll of \$800,000
 - Will utilize rail to ship out product
 - Estimated property tax of \$225,000
 - This will be used to pay down on the DOT Loan

DOT Loan Projected Loan Reduction

- In 2017 \$6M of outstanding debt
- In 2020 ending balance of \$4.975M
- In 2023 projected ending balance at \$3.146M
 - Approximately \$650,000 in RIF Revenue
 - Dakota Plains
 - Dakota Protein
 - Ag Building

Dakota Protein



Dakota Protein





Napa Site Today

- In 2017 the area was designated as an Opportunity Zone by Gov. Daugaard
- GOED has designated it as one of their Certified Ready Sites
 - GOED has hosted multiple companies to the site
- Total site has over \$2M in payroll



Securities





Lyman County - Dakota Mill Grain

- \$1.2M Road Project
- DOT Board Approved in 2019
- Tax Increment District created in 2018
- Loan will start to be draw down in 2021
- Road completion will be August 2021

Dakota Mill and Grain

- 2020 - 23 trains were shipped
- Average train holds 410,000 bushels
 - 9,430,000 bushels of grain were shipped via rail
 - Equates to approximately 8,572 truck loads
- Basis Impact is estimated at \$.15 per bushel
 - Equates to approx. \$1.4M more in revenue to the farmer(s)



DOT - Lyman County Partnership

- DOT was lender
- Lyman was borrower
- Dakota Mill was the guarantor
- TIF Was created in 2018

Project Costs

Lyman County Economic Development Project	
Uses	
County Hwy	\$ 1,174,289.00
Design Engineering	\$ 225,715.00
Design Engineering - Amendment	\$ 39,000.00
Construction Engineering Road	\$ 97,160.00
ROW Payments	\$ 23,006.00
West Central Agreement	\$ 198,469.75
Kennebec Telephone Agreement	\$ 37,714.35
Planning District III	\$ 12,500.00
Colliers	\$ 25,000.00
Contingency	\$ 117,500.00
	\$ 1,950,354.10
Sources	
SD DOT Agri-Business Access Grant	\$ 600,000.00
SD DOT Loan	\$ 1,350,354.00
	\$ 1,950,354.00

Date	TIF Revenue	Principal	Rate	Interest	Total P+I	(Shorfall) Excess	TIF Balance	Balance
06/01/2020		-	-	-	-	119,464.00	119,464.00	1,458,630.70
06/01/2021	119,464.00	-	1.000%	-		119,464.00	238,928.00	1,458,630.70
06/01/2022	119,464.00	79,142.46	1.000%	14,586.31	93,728.77	25,735.23	264,663.23	1,379,488.24
06/01/2023	119,464.00	79,933.89	1.000%	13,794.88	93,728.77	25,735.23	290,398.46	1,299,554.35
06/01/2024	119,464.00	80,733.23	1.000%	12,995.54	93,728.77	25,735.23	316,133.68	1,218,821.12
06/01/2025	119,464.00	81,540.56	1.000%	12,188.21	93,728.77	25,735.23	341,868.91	1,137,280.56
06/01/2026	119,464.00	82,355.97	1.000%	11,372.81	93,728.77	25,735.23	367,604.14	1,054,924.59
06/01/2027	119,464.00	83,179.53	1.000%	10,549.25	93,728.77	25,735.23	393,339.37	971,745.06
06/01/2028	119,464.00	84,011.32	1.000%	9,717.45	93,728.77	25,735.23	419,074.60	887,733.74
06/01/2029	119,464.00	84,851.43	1.000%	8,877.34	93,728.77	25,735.23	444,809.82	802,882.31
06/01/2030	119,464.00	85,699.95	1.000%	8,028.82	93,728.77	25,735.23	470,545.05	717,182.36
06/01/2031	119,464.00	86,556.95	1.000%	7,171.82	93,728.77	25,735.23	496,280.28	630,625.41
06/01/2032	119,464.00	87,422.52	1.000%	6,306.25	93,728.77	25,735.23	522,015.51	543,202.89



Partnering with DOT has produced

- Over \$75M of Cap X in Yankton County
- Over \$30M Cap X Lyman County
- Increase in commodity basis in multiple counties
- Reduction of truck traffic in multiple counties
- Employment in rural areas
- Solid credit with each loan