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**SOUTH DAKOTA DEPARTMENT OF AGRICULTURE
VALUE ADDED FINANCE AUTHORITY
MINUTES OF THE PUBLIC MEETING
May 25, 2017**

The South Dakota Value Added Finance Authority (VAFA) board held its regularly scheduled meeting on Thursday, May 25, 2017, at the SDDA Conference Room, Third Floor, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota.

Board Members Present:

Bob Hull, Chairman
Mark Gross, Vice Chairman
Jim Schmidt
Charles Jepson
Nathan Jensen
Marcia Hendrickson
Jim Doolittle

Board Members Absent:

Staff Present:

Terri LaBrie, Executive Director VAFA, Kimberly DeSchepper, SDDA Grant and Loan Specialist

Others Present: Paul Kostboth, A1 Development Solutions; Rodney Krantz, Plains Commerce Bank

Call to Order: Chairman Hull opened the meeting at 8:00a.m. CT and asked for roll call. A quorum was present.

Agenda: Chairman Hull asked for any additions to the agenda, none were mentioned.

A motion to approve the agenda was made by Jim Doolittle and seconded by Mark Gross. Motion passed by unanimous roll call vote.

There were no conflicts of interest disclosed by any board member.

Minutes: A motion to approve the minutes dated March 30th, 2017 was made by Chuck Jepson and seconded by Nathan Jensen. Motion passed by unanimous roll call vote.

Dutch Dakota Dairy LNMB #6-0021 Request to adjust loan terms- Resolution M: Ms. LaBrie informed the Board Dutch Dakota Dairy was approved for a \$259,260.00 bond in 2008. The borrowers are refinancing all of their loans with Plains Commerce Bank and Plains Commerce is requesting the bond be transferred over to complete the refinancing. Ms. LaBrie recommended the board approve the bond transfer to complete the refinance and pass Resolution M.

A motion to approve staff recommendation was made by Jim Doolittle and seconded by Jim Schmidt. Motion passed by unanimous roll call vote.


Todd Kays- CSAP Update: Ms. LaBrie informed the Board Todd Kays was unable to attend this month but has committed to updating the board on the project at the June meeting. Ms. LaBrie informed the board that 16 counties were left to be complete with the FY17 CSAP and 13 of those were completed this past year. Mr. Kays will thoroughly review the CSAP progress with the board in June.

Paul Kostboth-CSAP and CSAP 2.0 Update and Transition: Mr. Kostboth updated the board on his recent decision to transfer into the private sector and resign from his position as Director of Agriculture Development. Mr. Kostboth explained that the State isn't always able to bring the projects to fruition, there is only so much a state agency can do, and multiple agricultural development projects have suffered because of this. Mr. Kostboth asked for the support of the board while he takes on this mission to assist businesses through the site selection process, acquiring the permits and searching for partners.

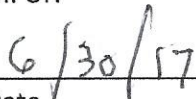
Executive Director Report: Ms. LaBrie informed the board that they will soon need to take action on a Code of Ethics, but for now a draft has been provided. Ms. LaBrie informed the board of VAFA fund balances and current status on pending projects. Ms. LaBrie also let the board know we have not heard anything new from the IRS after the second data request.

The next VAFA meeting is scheduled for June 29th, 2017 via conference call.

A motion to adjourn was made by Jim Schmidt and seconded by Marcia Hendrickson. Motion passed by unanimous roll call vote and the meeting adjourned at 8:25 a.m. CT.



Bob Hull, VAFA Chairman



Date