

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, MARCH 13, 2025, 10:00 A.M., CT**

Members Present

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

Staff Present

Commissioner Joe Fiala, Deputy Commissioner Jesse Fonkert, Ashley Moore, Jack Valentine, Stephanie Deyo, Lexxy Phillips, Nick Rabern, Nadine Agneau, Adam Molseed and Alex Kahnke

Other Staff Present

Shawn Hofer – BankWest, Inc.

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 amended to remove Bel Brands USA.

Motion passed by a voice vote.

Minutes

A motion was made by Craig Christianson and seconded by Sharon Casey to approve the minutes of the meetings held February 12, 2025, February 24, 2025 and March 4, 2025, 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. There were none from 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 Tom Jones to enter into Executive Session at 10:08 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 10:43 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 Sharon Casey and seconded by Joy Nelson to approve the Chairman's report from Executive Session.
Motion passed by a voice vote.

Reviews

Grant Reviews

Local Infrastructure Improvement Program (City of Lake Norden, City of Lake Preston, City of North Sioux City, Corsica, Inc., City of Viborg and Lake Area Improvement Corporation) and Reinvestment Payment Program (Brookings Biogas, LLC, Dakota Renewable Hydrogen, LLC, Gevo Net Zero 1, LLC, Graco Minnesota, Inc. Kingsbury County Wind Fuel, LLC, Lakeside Biogas, LLC, Manitou Equipment America, LLC, Pacific Stainless Products, Inc. and Red Rock Real Estate, LLC)

A motion was made by David Emery and seconded by Craig Christianson to approve the grant reviews as recommended by staff and Grant Committee.
Motion passed by a voice vote.

B&B Hills, LLC

A motion was made by Craig Christianson and seconded by Tom Jones to approve the loan review and recommendation as presented.
Motion passed by a voice vote.

BJ's Food Center

A motion was made by Sharon Casey and seconded by Kevin Tetzlaff to approve the loan review and recommendation as presented.
Motion passed by a voice vote.

Old Business

Corsica, Inc.

A motion was made by Joy Nelson and seconded by David Emery to approve extending the LIIP grant agreement expiration date to September 30, 2025.
Motion passed by a voice vote.

Graco Minnesota, Inc.

A motion was made by Don Kettering and seconded by Kevin Tetzlaff to approve extending the RPP construction permit to March 1, 2026.
Motion passed by a voice vote.

Harris Machine Company

A motion was made by Tom Jones and seconded by Kevin Tetzlaff to approve a SD Works commitment extensions to March 12, 2026.
Motion passed by a voice vote.

Southern Sun, LLC

A motion was made by Don Kettering and seconded by Kevin Tetzlaff to approve a REDI and SD Works commitment extension to March 13, 2026.
Motion passed by a voice vote.

New Business

ESCO Manufacturing

A motion was made by Joy Nelson and seconded by Sharon Casey to approve a SD Works loan request from ESCO Manufacturing in the amount up to \$421,880. Secured by a 2nd lien

position on real estate, a UCC filing, personal guaranties from all 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.

Hidewood Fiber, LLC

A motion was made by Don Kettering and seconded by Kevin Tetzlaff to approve a SD Works loan request from Hidewood Fiber, LLC in the amount up to \$250,000. Secured by a shared pro-rata first position UCC on chattel assets, pro-rata shared 2nd lien position on vehicles, a pro-rata shared second mortgage on additional real estate and the personal guaranties from all principals with 10% or more ownership.

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.

Kaylor Agriservices

A motion was made by Joy Nelson and seconded by Kevin Tetzlaff to approve a SD Works loan request from Kaylor Agriservices in the amount up to \$1,000,000. Secured by a 2nd lien position on real estate, machinery and equipment and personal guaranties from all principals with 10% or more ownership.

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.

Kaylor Agriservices

A motion was made by Don Kettering and seconded by Sharon Casey to approve a REDI loan request from Kaylor Agriservices in the amount up to \$1,000,000. Secured by a first lien position on structures and equipment, a shared second lien position in real estate and the personal guaranties from all principals with 10% or more ownership.

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.

Local Infrastructure Improvement Program

Hamlin County

A motion was made by Kevin Tetzlaff and seconded by Craig Christianson to approve a Local Infrastructure Improvement grant award to Hamlin County in the amount of \$142,500 but not to exceed 26% of eligible project costs, 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.

Sioux Falls Development Foundation


A motion was made by Don Kettering and seconded by Sharon Casey to approve a Local Infrastructure Improvement grant award to Sioux Falls Development Foundation in the amount of \$447,769 but not to exceed 50% of eligible project costs, 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.

Adjourn

A motion was made by Joy Nelson and seconded by Kevin Tetzlaff to adjourn the meeting at 10:54 a.m.

Motion passed by a voice vote.


Matt Judson, Treasurer