

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, JUNE 14, 2023, 10:00 A.M., CT**

Members Present

Vice-Chairman Don Kettering, Matt Judson, Sharon Casey, Mike Luken, Tom Jones, Reed Kessler, Kevin Tetzlaff and David Emery

Staff Present

Commissioner Chris Schilken, Travis Dovre, Ashley Moore, Jack Valentine, Nick Rabern, Nadine Agneau, Stephanie Deyo and Joe Fiala

Other Staff Present

Shawn Hofer – BankWest, Inc.

Others Present

Bob Mercer – Keloland

Andrew Nilges – North Sioux City Economic Development Corporation

Call to Order

Vice-Chairman Kettering called the meeting to order at 10:02 a.m.

Agenda

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

Motion passed by a voice vote.

Minutes

A motion was made by Reed Kessler and seconded by Tom Jones to approve the minutes of the meetings held May 10, 2023, May 30, 2023 and June 6, 2023, 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. Matt Judson declared a potential conflict with Custom Skirting, LLC due to banking relations. 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

Casey Peterson, LTD Accounting Contract

A motion was made by Mike Luken and seconded by Reed Kessler to approve the Casey Peterson, LTD accounting contract as presented.

Motion passed by a voice vote.

Executive Session

A motion was made by Kevin Tetzlaff and seconded by Mike Luken to enter into Executive Session at 10:10 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 Vice-Chairman declared the board out of Executive Session at 10:48 a.m. The Vice-Chairman reported that the Board of Economic Development entered into Executive Session to 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 Mike Luken to approve the Vice-Chairman's report from Executive Session.

Motion passed by a voice vote.

Reviews

Grant Reviews

Local Infrastructure Improvement Program (Clark County) and Reinvestment Payment Program (Blooming Valley Dairy, LLC, Dakota Range III, LLC, Red's All Natural, LLC, Royal Canin, US, SFP, LLC, Sweetland Wind Farm, LLC, Valley Queen Cheese Factory and Wild Springs Solar, LLC

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

Motion passed by a voice vote.

Loan Reviews

SSM, LLC

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

Motion passed by a voice vote.

Old Business

Clark County

A motion was made by Kevin Tetzlaff and seconded by David Emery to approve an extension of the grant agreement to June 9, 2025.

Motion passed by a voice vote.

Driftwood Dairy

A motion was made by Mike Luken and seconded by Tom Jones to approve an extension of the grant agreement to June 12, 2024.

Motion passed by a voice vote.

North Sioux City Economic Development Corporation

A motion was made by Reed Kessler and seconded by Kevin Tetzlaff to approve accepting the conditions and proposal as presented by staff and approving the amended commitment letter.

Motion passed by a voice vote.

Sioux Falls Development Foundation

A motion was made by Mike Luken and seconded by Kevin Tetzlaff to approve an extension of the grant agreement to September 8, 2023.

Motion passed by a voice vote.

New Business

SD Works

Blankenship Properties, LLC

A motion was made by Mike Luken and seconded by David Emery to approve a SD Works loan request from Blankenship Properties, LLC in the amount of \$67,500. Secured by a second on financed assets, blanket UCC filing and personal guarantees from 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.

REDI

M.A. Murphy, LLC

A motion was made by Tom Jones and seconded by Sharon Casey to approve a REDI loan request to M.A. Murphy, LLC in the amount of \$969,741. Secured by a shared first lien position, personal guarantees from principals with 10% or more ownership and corporate guarantees.

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.

SD Works

Custom Skirting, LLC

A motion was made by Mike Luken and seconded by Reed Kessler to approve a SD Works loan request from Custom Skirting, LLC in the amount of \$320,000. Secured by a sole 1st position on equipment, 2nd lien position on building and real estate and personal guarantees from 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 with Matt Judson abstaining.

Reinvestment Payment Program

SFP, LLC

A motion was made by Mike Luken and seconded by Tom Jones to approve the Reinvestment Payment Program grant application to SFP, 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 \$612,900 but not to exceed 100% percent of State Sales/Use Tax paid on eligible project costs, is approved for SFP, 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.

Wilson Trailer Company

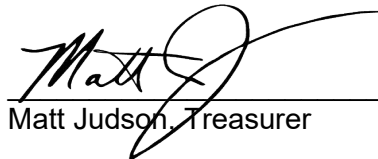
A motion was made by Sharon Casey and seconded by Reed Kessler to approve the Reinvestment Payment Program grant application to Wilson Trailer Company as recommended by staff.

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 \$104,000 but not to exceed 20% percent of State Sales/Use Tax paid on eligible project costs, is approved for Wilson Trailer Company. 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.

Adjourn

A motion was made by Matt Judson and seconded by Reed Kessler to adjourn the meeting at 11:02 a.m.

Motion passed by a voice vote.



Matt Judson, Treasurer