

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JULY 10, 2018, 9:30 A.M. CT**

Members Present

Vice-Chairman Don Kettering, Dale Clement, Sharon Casey, John Calvin, Mike Luken, Pat Prostrollo, Tom Jones, Norbert Sebade, Reed Kessler, Pat Costello, Matt Judson, Spencer Hawley and Billie Sutton

Staff Present

Commissioner Scott Stern, Cassie Stoesser, Ashley Moore, Cassidy Kulesa, LaJena Gruis, Dale Knapp and Natalie Likness

Other Staff Present

Mike Bietz - BankWest, Inc.

Call to Order

Vice-Chairman Kettering called the meeting to order at 9:30 a.m.

Agenda

A motion was made by Mike Luken and seconded by Sharon Casey to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Matt Judson and seconded by Pat Prostrollo to approve the minutes of the meetings held June 12, 2018 and July 2, 2018, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Vice-Chairman Kettering 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 Comment Period - none

Clausen & Rice, LLP Accounting Contract

A motion was made by Pat Prostrollo and seconded by Matt Judson to approve the Clausen & Rice, LLP contract for accounting services as presented.

Motion passed by a roll call vote.

Treasurer Memo

A motion was made by Mike Luken and seconded by John Calvin to accept the appointment of Matt Judson as Treasurer of the Board of Economic Development.

Motion passed by a roll call vote.

Executive Session

A motion was made by Sharon Casey and seconded by John Calvin to enter into executive session at 9:40 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Vice-Chairman declared the board out of executive session at 10:06 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 Mike Luken and seconded by Pat Prostrollo to approve the Vice-Chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review Summary

Black Hills Fiberglass, LLC

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

Motion passed by a roll call vote.

Old Business

Black Hills Fiberglass, LLC

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the extension of the maturity date to January 31, 2019.

Motion passed by a roll call vote.

Dak-Lan, LLC

A motion was made by Norbert Sebade and seconded by Tom Jones to deny the release of a personal guarantor as presented.

Motion passed by a roll call vote.

New Business

South Dakota Jobs Program

Masaba, Inc.

A motion was made by Pat Prostrollo and seconded by Dale Clement to approve the South Dakota Jobs grant application of Masaba, Inc. as recommended by staff.

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$24,000, but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved for Masaba Inc. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule.

Motion passed by a roll call vote.

Reinvestment Payment Program

Applied Engineering, Inc.

A motion was made by Sharon Casey and seconded by Pat Prostrollo to approve the Reinvestment Payment Application of Applied Engineering, Inc. 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 \$141,832 but not to exceed the State Sales/Use Tax paid on eligible project costs, is approved for Applied Engineering, Inc. 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 roll call vote.

Crocker Wind Farm, LLC

A motion was made by Pat Prostrollo seconded by Mike Luken to approve the Reinvestment Payment Application of Crocker Wind Farm, 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 \$7,875,000 but not to exceed 75% of the State Sales/Use Tax paid on eligible project costs, is approved for Crocker Wind Farm 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 roll call vote.

Graco Minnesota, Inc.

A motion was made by Matt Judson seconded by Norbert Sebade to approve the Reinvestment Payment Application of Graco Minnesota, Inc. 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 \$337,500 but not to exceed 50% of the State Sales/Use Tax paid on eligible project costs, is approved for Graco Minnesota, Inc. 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 roll call vote.

Bills


A motion was made by Sharon Casey and second by Dale Clement to approve the bill payable to Moody's Analytics in the amount of \$4,038.48.

Motion passed by a roll call vote.

Adjourn

A motion was made by Mike Luken and seconded by Matt Judson to adjourn the meeting at 10:22 a.m.

Motion passed by a roll call vote.



Dale Clement, Secretary or Matt Judson, Treasurer