

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, SEPTEMBER 11, 2024, 10:00 A.M., CT**

Members Present

Vice-Chairman Don Kettering, Sharon Casey, Mike Luken, Tom Jones, Joy Nelson, Eric Yunag, Kevin Tetzlaff, David Emery, Craig Christianson, Reynold Nesiba and Kameron Nelson

Staff Present

Commissioner Joe Fiala, Deputy Commissioner Jesse Fonkert, Ashley Moore, Jack Valentine, Stephanie Deyo, Lexxy Phillips, Nick Rabern, Nadine Agneau, Ann Gesick-Johnson, Tanner Beukelman, Katherine Kirby, Alissa Sendelbach, Curtis Egan and Dale Knapp

Other Staff Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

Others Present

Bob Mercer – Keloland News

Call to Order

Vice-Chairman Kettering called the meeting to order at 10:00 a.m.

Agenda

A motion was made by Mike Luken and seconded by Tom Jones to approve the agenda as amended to recognize action on the Howard Building.

Motion passed by a voice vote.

Howard Building

A motion was made by Sharon Casey and seconded by Eric Yunag to approve Legal counsel's recommendation that the Board of Economic Development authorizes Staff to take all such action as is reasonably deemed necessary to protect the board's interests, including the retention of legal counsel, the engagement of a title company or realtor, or other means of selling the real property in Howard, to include authorizing Staff to act on the option to purchase terms of the lease with the current tenant, and to accept or refuse any proposed offer to purchase on the OREO property. The Board's Secretary is authorized to act on behalf of the Board regarding any forthcoming Purchase Agreements, Warranty Deed, and all other sales documents associated with the sale of this OREO property. Actions taken by staff to date, that are consistent with the terms of the foregoing authorization, are hereby ratified.

Motion passed by a voice vote.

Minutes

A motion was made by Joy Nelson and seconded by Craig Christianson to approve the minutes of the meetings held August 14, 2024, August 26, 2024 and September 3, 2024 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. Kevin Tetzlaff declared a potential conflict with RTI, LLC due to banking relations and would not partake in the discussion or vote on the project. 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

Executive Session

A motion was made by Sharon Casey and seconded by Mike Luken to enter into Executive Session at 10:13 a.m. to discuss contractual matters, and to discuss commercial and financial information relating to loan and other assistance applicants. SDCL 1-16G-11, 1-25-2(3) and 19-19-502

Motion passed by a voice vote.

Executive Session Report

The Vice-Chairman declared the board out of Executive Session at 10:50 a.m. The Vice-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 Joy Nelson and seconded by Mike Luken to approve the Vice-Chairman's report from Executive Session.

Motion passed by a voice vote.

Grant Reviews

Local Infrastructure Improvement Program (Turner County) and Reinvestment Payment Program (Marion Industrial, Royal Canin US, SFP, LLC and Wilson Trailer)

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

Motion passed by a voice vote.

Loan Review Summary

RTI, 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 with Kevin Tetzlaff abstaining.

Old Business

3M Center

A motion was made by Sharon Casey and seconded by Mike Luken to approve changing the project owner from 3M Center to Solventum.

Motion passed by a voice vote.

New Business

Hebron Brick Supply Co.

A motion was made by Kevin Tetzlaff and seconded by Craig Christianson to approve a SD Works loan request from Hebron Brick Supply Co in the amount of \$1,242,400. Secured by a second position on the real estate and a second on all chattel assets.

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.

CCLLA, LLC

A motion was made by Joy Nelson and seconded by Kevin Tetzlaff to approve a SD Works loan request from CCLLA, LLC in the amount of \$400,000. Secured by a second position on real estate, personal guaranties from 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.

Morris, Inc.

A motion was made by Tom Jones and seconded by Mike Luken to approve a SD Works loan request from Morris, Inc. in the amount of \$600,000. Secured by a second position on finance assets and personal guaranties 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.

SFC Global Supply Chain, Inc.(1)

A motion was made by Joy Nelson and seconded by Craig Christianson to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from SFC Global Supply Chain Inc. in the amount of \$10,000,000. Secured by a shared first mortgage on the commercial real estate with REDI loan number two, a shared first lien position on the Reinvestment Payment Program Permit with REDI loan number two, a first position collateral assignment of tax rebate payments, and a corporate guaranty. Also, to waive ARSD to allow for a 10-year maturity, deviate from the base interest rate, and the take-out financing provision to allow this loan to close and fund as a part of the construction, acquisition, and installation financing.

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.

SFC Global Supply Chain, Inc.(2)

A motion was made by Mike Luken and seconded by David Emery to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from SFC Global Supply Chain Inc. in the amount of \$15,000,000. Secured by a shared first lien position mortgage on the commercial real estate with REDI loan number one, a shared first lien position on the Reinvestment Payment Program Permit, a second position collateral assignment of tax rebate payments, and a corporate guaranty. Also, to waive ARSD for a 10-year maturity, and the take-out financing provision to allow this loan to close and fund as a part of the construction, acquisition, and installation financing.

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
City of North Sioux City

A motion was made by Joy Nelson and seconded by Tom Jones to approve a Local Infrastructure Improvement grant award to City of North Sioux City in the amount of \$300,000 but not to exceed 19% of the LIIP eligible project costs of \$1,607,729.21, 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.

Bills

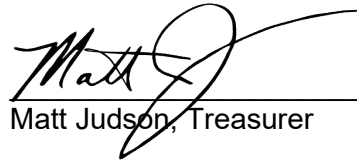
A motion was made by Craig Christianson and seconded by Mike Luken to approve a bill payable to Moody's Analytics Solutions, LLC in the amount of \$17,043.

Motion passed by a voice vote.

Adjourn

A motion was made by Sharon Casey and seconded by Kevin Tetzlaff to adjourn the meeting at 11:02 a.m.

Motion passed by a voice vote.



Matt Judson, Treasurer