

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, OCTOBER 25, 2018, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Sharon Casey, Mike Luken, Ted Hustead, Don Kettering, Pat Prostrollo, Tom Jones, Norbert Sebade, Pat Costello, Matt Judson and Spencer Hawley

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore and LaJena Gruis

Other Staff Present

Mike Bietz - BankWest, Inc.

Others Present

Bob Christianson – Department of Legislative Audit

Call to Order

Chairman Erickson called the meeting to order at 9:32 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Dale Clement and seconded by Mike Luken to approve the minutes of the meetings held September 13, 2018 and October 15, 2018, as presented.

Motion passed by a roll call vote.

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.

Annual Report/Audit Report

A motion was made by Dale Clement and seconded by Don Kettering to approve the 2018 Annual Report/Audit Report as presented.

Motion passed by a roll call vote.

Public Comments - none

Executive Session

A motion was made by Ted Hustead and seconded by Norbert Sebade to enter into executive session at 10:00 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 Chairman declared the board out of executive session at 10:30 a.m. The 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 Dale Clement to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review Summary

Agile Manufacturing of SD, Inc., Harbor Group Investments, LLC, Intrinsic Materials Corp, MDS Manufacturing, Inc. and MW Properties, LLC

A motion was made by Pat Prostrollo and seconded by Don Kettering to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

Old Business

Day Count Wind II, LLC

A motion was made by Matt Judson and seconded by Sharon Casey to approve extending the construction commencement date to August 31, 2019.

Motion passed by a roll call vote.

Fiedler Holdings, LLC

A motion was made by Pat Prostrollo and seconded by Sharon Casey to approve a commitment extension to March 31, 2019 as presented.

Motion passed by a roll call vote

New Business

Aberdeen Development Corporation

A motion was made by Matt Judson and seconded by Mike Luken to approve a waiver of a loan over \$1,000,000 and approve the loan request from Aberdeen Development Corporation in the amount of \$2,100,000. Secured by a shared first position on the real estate constructed and an assignment of lease and rents.

The loans are 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 roll call vote with Pat Prostrollo abstaining.

Reinvestment Payment Program

Phillip Wind Partners, LLC

A motion was made by Dale Clement and seconded by Tom Jones to approve the Reinvestment Payment Application of Phillip Wind Partners, LLC as recommended by staff.

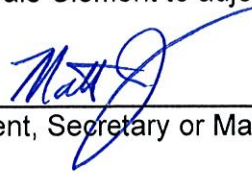
Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$6,000,000 but not to exceed 65% percent of State Sales/Use Tax paid on eligible project costs, is approved for Philip Wind Partners, 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.

Adjourn

A motion was made by Matt Judson and seconded by Dale Clement to adjourn the meeting at 10:35 a.m.

Motion passed by a roll call vote.



Dale Clement, Secretary or Matt Judson, Treasurer