

**BOARD OF ECONOMIC DEVELOPMENT
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
WEDNESDAY, APRIL 14, 2021, 10:30 A.M., CT**

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**BOARD OF ECONOMIC DEVELOPMENT
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
WEDNESDAY, APRIL 14, 2021, 10:30 A.M., CT**

Motion Sheet

(STAFF RECOMMENDATIONS)

Please note times:
Call To Order: _____
Executive Session _____
Regular Session _____
Adjournment _____

**Board
Members:**

Jeff Erickson

Matt Judson **Agenda**

Motion to approve the agenda as presented.

*Sharon
Casey*

Motion made by _____ and seconded by _____.

Mike Luken

Minutes

Ted Husted

Motion to approve the minutes of the meetings held March 10, 2021 and April 8, 2021, as presented

*Don
Kettering*

Motion made by _____ and seconded by _____.

Tom Jones

Conflicts of Interest Disclosures

Reed Kessler

Joy Nelson **Public Comments**

Eric Yunag

Commissioners Comments

Pat Burchill

Executive Session

*Kevin
Tetzlaff* Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

David Emery

Motion made by _____ and seconded by _____.

Non-Voting

*Senator
Reynold
Nesiba*

Chairman: Declare board out of executive session. [a.m.]. Chairman: The BED 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.

*Senator
Casey
Crabtree*

Motion to approve the chairman's report from executive session.

*Representative
Jennifer Keintz*

Motion made by _____ and seconded by _____.

*Representative
Kent Peterson*

Loan Reviews

Red's All Natural, LLC, Weisser Properties, LLC and Weisser Falls Properties, LLC
Motion to approve the loan reviews and recommendations as presented.

Motion made by _____ and seconded by _____.

Old Business

Sioux Falls Development Foundation

Motion to approve the collateral releases as presented.

Motion made by _____ and seconded by _____.

New Business

Weisser Falls Properties, LLC

Motion to deny the loan request as presented.

Motion made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

A

**BOARD OF ECONOMIC DEVELOPMENT
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
WEDNESDAY, APRIL 14, 2021, 10:30 A.M., CT**

The public may participate by the following:

Call In Number: (669) 900-9128 Meeting ID: 96677988449 Participant Id: # Passcode: 421401
<https://state-sd.zoom.us/j/96677988449?pwd=S1I2bW5wRkd6OWJmVjUza0N2K1pDQT09>
www.zoom.com Meeting ID: 96677988449 Passcode: 421401

REGULAR SESSION AGENDA

- 10:30 A.M. Call to Order, Chairman Jeff Erickson
- 10:35 A.M. **Agenda**
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.
- Minutes**
RECOMMENDED ACTION: Motion to approve the minutes of March 10, 2021 and April 8, 2021, as presented.
- Conflicts of Interest Disclosures**
- Public Comments**
- Monthly Financials**
RECOMMENDED ACTION: No action taken.
- 10:45 A.M. **Commissioner's Comments**
- 10:55 A.M. **Executive Session**
RECOMMENDED ACTION: Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance applicants. SDCL 1-25-2(4) and 1-16G-11
- 11:25 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions**
Loan Review Summary
Sioux Falls Development Foundation
Weisser Falls Properties, LLC

Notice is further given to persons with disabilities that this meeting is being held in a physically accessible place. Please notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make the necessary arrangements.

B

**BOARD OF ECONOMIC DEVELOPMENT
BHR CAPITOL CONFERENCE ROOM B20, PIERRE, SD
WEDNESDAY, MARCH 10, 2021, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Matt Judson, Sharon Casey, Mike Luken, Ted Hustead, Don Kettering, Tom Jones, Reed Kessler, Joy Nelson, Eric Yunag, Pat Burchill and Kevin Tetzlaff

Staff Present

Deputy Commissioner Mary Lehecka Nelson, Ashley Moore, LaJena Gruis, Cassidy Kulesa, Terri LaBrie, Joe Fiala and Natalie Likness

Other Staff Present

Mike Bietz and Andrew Coppersmith – BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 10:01 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 Joy Nelson and seconded by Pat Burchill to approve the minutes of the meetings held February 10, 2021 and February 24, 2021, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Chairman Erickson opened the floor for board members to identify potential conflicts under SDCL Chapter 3-23. Kevin Tetzlaff declared a potential conflict with Brookings Economic Development Corporation as he is a board member for them. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from board members and no objection to proceedings with the agenda.

Public Comments – none

Executive Session

A motion was made by Don Kettering and seconded by Mike Luken to enter into executive session at 10:08 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. SDCL 1-25-2(4) and SDCL 1-16G-11.
Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:20 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 Ted Hustead and seconded by Sharon Casey to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Grant Reviews

Economic Development Partnership Program (Onida Area Development Corporation, First District Association of Local Governments, Brookings Economic Development Corporation and Beadle and Spink Enterprises Community) Local Infrastructure Improvement Program (Turner County) and South Dakota Jobs Program (J and K Feeders, LLC)

A motion was made by Pat Burchill and seconded by Don Kettering to approve the grant reviews as recommended by staff and Grant Committee.

Motion passed by a roll call vote with Kevin Tetzlaff abstaining.

Old Business

Fall River Solar, LLC

A motion was made by Joy Nelson and seconded by Eric Yunag to approve extending the construction commencement date to September 8, 2021.

Motion passed by a roll call vote.

IntraGlobal Biologics, Inc.

A motion was made by Mike Luken and seconded by Kevin Tetzlaff to approve a one-year payment moratorium as presented.

Motion passed by a roll call vote.

New Business

Economic Development Partnership Program

North Sioux City Economic Development Corporation

A motion was made by Ted Hustead and seconded by Sharon Casey to approve an Economic Development Partnership grant award to North Sioux City Economic Development Corporation in the amount up to \$1,000, not to exceed 50% of costs, to be granted in accordance with the board's Economic Development Award Policy for Training Only as recommended by staff and Grant Committee.

Motion was passed by a roll call vote.

Reinvestment Payment Program

Blooming Valley Dairy, LLC

A motion was made by Don Kettering and seconded by Pat Burchill to approve the Reinvestment Payment Program grant application to Blooming Valley Dairy, 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 \$743,000 but not to exceed the State Sales/Use Tax paid on eligible project costs, is approved for Blooming Valley Dairy, 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 was passed by a roll call vote.

Adjourn

The Chairman adjourned the meeting at 10:27 a.m.

Matt Judson, Treasurer

CREDIT COMMITTEE
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
THURSDAY, APRIL 8, 2021, 3:00 P.M. CT

Members Present

Chairman Jeff Erickson, Don Kettering, Matt Judson and Pat Burchill

Staff Present

Commissioner Steve Westra, Chris Schilken, Ashley Moore, LaJena Gruis, Terri LaBrie, Cassidy Kulesa, Travis Dovre and Joe Fiala

Other Staff Present

Andrew Coppersmith, Mike Bietz, Penny Kelley - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 3:11 p.m.

Agenda

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

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. There were none from committee members and no objection to proceeding with the agenda.

Public Comment Period – none

Executive Session

A motion was made by Matt Judson and seconded by Pat Burchill to enter into executive session at 3:14 p.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 Credit Committee out of executive session at 4:10 p.m. The Chairman reported that the Board of Economic Development Credit Committee 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 Matt Judson and seconded by Pat Burchill to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Reviews

Red's All Natural, LLC, Weisser Properties, LLC and Weisser Falls Properties, LLC

Credit Committee recommends to the Board approving the loan reviews and recommendations as presented.

A motion was made by Pat Burchill and seconded by Don Kettering

Motion passed by a roll call vote.

Old Business

Sioux Falls Development Foundation

Credit Committee recommends to the Board approving the collateral releases as presented.
A motion was made by Don Kettering and seconded by Pat Burchill.
Motion passed by a roll call vote.

The Plains Apartments, LLC

Credit Committee recommends tabling the request as presented
A motion was made by Don Kettering and seconded by Matt Judson.
Motion passed by a roll call vote.

New Business

Weisser Falls Properties, LLC

Credit Committee recommends denying the loan request as presented.
A motion was made by Pat Burchill and seconded by Don Kettering.
Motion passed by a roll call vote.

Adjourn

The Chairman declared the meeting adjourned at 4:17 p.m.

Matt Judson, Treasurer

C

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
FINANCIAL REPORT
(Compiled)
February 28, 2021**

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Clausen & Rice, Inc

Certified Public Accountants and Business Consultants

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Accountant's Compilation Report

To the Board of Directors
South Dakota Revolving Economic Development and Initiative Fund
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Revolving Economic Development and Initiative Fund (an Enterprise Fund of the State of South Dakota) as of February 28, 2021, and the related statements of revenues, expenses and changes in net assets and cash flows for the eight months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Entity's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on pages 5 through 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to South Dakota Revolving Economic Development and Initiative Fund.

Clausen & Rice

Pierre, South Dakota
March 23, 2021

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

STATEMENT OF NET ASSETS

February 28, 2021

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$56,566,003
Cash and Investments-Designated for Approved REDI Loans	28,354,225
Cash-SD Jobs	1,844,608
Cash-Disaster Relief Fund	<u>2,154,010</u>
Total Cash and Investments	\$88,918,846
Accounts Receivable-Bankwest	52,678
Loans Receivable - REDI, net of allowance of \$1,543,274	39,538,358
Loan Interest Receivable	46,695
Net Pension Asset	1,335
Asset Held for Resale	321,037
Investment Income Receivable	<u>1,391,405</u>
TOTAL ASSETS	<u><u>\$130,270,354</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pensions	<u>69,839</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>69,839</u></u>

LIABILITIES

Accounts Payable	\$40,166
Wages and Benefits Payable	\$28,502
Accrued Leave Payable	\$53,108
Net Pension Liability	\$0
Due To Other Funds	<u>\$6,923</u>
TOTAL LIABILITIES	<u><u>\$128,699</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Pensions	<u>27,200</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>27,200</u></u>

NET POSITION

Investment in Capital Assets	0
Unrestricted	<u>130,184,294</u>
TOTAL NET POSITION	<u><u>\$130,184,294</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$130,340,193</u></u>

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Month Ending February 28, 2021

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$50,181	\$346,930
Ethanol Income - REDI	0	0
Other Income - REDI	21,797	33,599
Building South Dakota Income	0	0
LESS OPERATING EXPENSES		
Administrative Expenses	48,429	450,437
Bad Debt Expense	(8,119)	(251,408)
Other Expenses	30	30,542
Building South Dakota Grants	<u>21,937</u>	<u>72,062</u>
NET INCOME (LOSS) FROM OPERATIONS	\$9,701	\$78,896
NONOPERATING REVENUE		
Investment Income	<u>180,240</u>	<u>1,391,405</u>
CHANGE IN NET POSITION	\$189,941	\$1,470,301
NET POSITION, BEGINNING	129,994,353	128,713,993
Prior period Adjustment	<u>0</u>	<u>0</u>
NET POSITION, ENDING	<u><u>\$130,184,294</u></u>	<u><u>\$130,184,294</u></u>

SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
STATEMENT OF CASH FLOWS

For the Month Ending February 28, 2021

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$189,941	\$1,470,301
Adjustments to Reconcile Net Income to		
Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Accounts Receivable - Bankwest	0	0
(Increase) Decrease in Loans Receivable - REDI	(1,389,812)	3,981,823
(Increase) Decrease in Loan		
Interest Receivable	(7,498)	51,390
(Increase) Decrease in Loans Receivable - LIIP	0	0
(Increase) Decrease in Equipment	0	0
(Increase) Decrease in VASF Fuel Tax		
Revenues Receivable	0	0
(Increase) Decrease in Investment		
Income Receivable	(180,240)	507,014
(Increase) Decrease in Due From Other Funds	0	0
(Increase) Decrease in Other Assets	0	0
Increase (Decrease) in Accounts Payable	0	0
Increase (Decrease) in Wages Payable	0	0
Increase (Decrease) in Accrued Leave Payable	0	0
Increase (Decrease) in Grants Payable	0	0
Increase (Decrease) in Due To Other Funds	0	0
	(\$1,387,609)	\$6,010,528
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	(\$1,387,609)	\$6,010,528
NET INCREASE IN CASH AND INVESTMENTS		
CASH AND INVESTMENTS - BEGINNING	90,306,455	82,908,318
CASH AND INVESTMENTS - ENDING	\$88,918,846	\$88,918,846

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
ADDITIONAL LOAN INFORMATION - REDI
For the Month Ending February 28, 2021
See Accountant's Compilation Report**

REDI LOANS APPROVED, NOT ADVANCED

<u>Company Name</u>	<u>Approval Date</u>	<u>Loan Amount</u>
Farmers Union Industries	9/12/2017	\$ 3,600,000
Fiedler Holding, LLC	10/24/2017	\$ 1,152,338
Riley Roo, LLC	2/12/2020	\$ 300,000
WYTEC, LLC	6/10/2020	\$ 3,000,000
L&E Holdings, LLC (Silencer Central)	10/23/2020	\$ 3,299,175
Midstates, Inc.	10/23/2020	\$ 1,490,872
Watertown Development Company/Dakota Tube	10/23/2020	\$ 897,696
Parkside Place, LLC	11/12/2020	\$ 1,793,610
The Plains Apartments, LLC	1/13/2021	\$ 12,820,534
Total		<u>\$ 28,354,225</u>

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING	February	Advanced Date	Loan Amount
<u>Company Name</u>		<u> </u>	<u> </u>
Watertown Devp. Co./Comprehensive Logistics		2/22/2021	\$1,786,367

REDI LOANS PAID OFF, DURING	February	Pay-off Date	Original Loan Amount
<u>Company Name</u>		<u> </u>	<u> </u>
None			

REDI LOANS WROTE OFF, DURING	February	Wrote-off Date	Amount Wrote-off
<u>Company Name</u>		<u> </u>	<u> </u>
None			

REDI LOANS WITHDRAWN, DURING	February	Withdrawal Date	Withdrawn Amount
<u>Company Name</u>		<u> </u>	<u> </u>
None			

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
ADDITIONAL LOAN INFORMATION - SDJP
For the Month Ending February 28, 2021
See Accountant's Compilation Report**

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	1/31/2021	\$1,866,545
Plus: Investment Council Interest		0
South Dakota Jobs		0
Less:		
Forest Products Distributors, Inc.		(21,937)

Dedicated SDJP Fund Cash and Investments Balance	2/28/2021	\$1,844,608
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SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Forest Products Distributors, Inc.	9/13/2018	0	\$21,937 Authorized
			\$21,937 Disbursed
Sonstegard Foods Company	8/13/2019	350,450	\$350,450 Authorized
			\$0 Disbursed
Joel Rempfer	8/13/2019	0	\$11,970 Authorized
*Returned \$2,785.70			\$9,184 Disbursed
J & A Hog Company, LLC	9/10/2019	49,207	\$49,207 Authorized
			\$0 Disbursed
Shannon Klumb and Ben Klumb	9/10/2019	28,496	\$28,496 Authorized
			\$0 Disbursed
Diamond Five Feeders, LLC	10/24/2019	0	\$61,055 Authorized
*Returned 61,055			\$0 Disbursed
J and K Feeders, LLC	10/24/2019	87,123	\$87,123 Authorized
			\$0 Disbursed
Firesteel Finishers, LLC	11/13/2019	46,277	\$46,277 Authorized
			\$0 Disbursed
Leaning Oak	12/11/2019	217,926	\$217,926 Authorized
			\$0 Disbursed
Pacer Minerals LLC	3/11/2020	27,000	\$27,000 Authorized
			\$0 Disbursed

Washington Feeders, LLC (North)	3/11/2020	28,080	\$28,080 Authorized
			\$0 Disbursed
Washington Feeders, LLC (South)	3/11/2020	28,080	\$28,080 Authorized
			\$0 Disbursed
Matt Storm	4/8/2020	24,833	\$24,833 Authorized
			\$0 Disbursed
Jones & Klumb Family Farm, LLC	5/13/2020	24,865	\$24,865 Authorized
			\$0 Disbursed
Mark Fuoss	5/13/2020	22,503	\$22,503 Authorized
			\$0 Disbursed
Spink Hutterian Brethren Inc. Barn 1	5/13/2020	33,592	\$33,592 Authorized
			\$0 Disbursed
Spink Hutterian Brethren Inc. Barn 2	5/13/2020	33,592	\$33,592 Authorized
			\$0 Disbursed
Spink Hutterian Brethren Inc. Nursery Barn	5/13/2020	44,842	\$44,842 Authorized
			\$0 Disbursed
Zimmerman Livestock, LLC	5/13/2020	0	\$71,756 Authorized
* Returned 30,815.07			\$40,941 Disbursed
TrueNorth Steel, Inc.	8/12/2020	18,000	\$18,000 Authorized
			\$0 Disbursed
		<u>\$1,064,866</u>	

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	\$1,844,608
Less Cash and Investments-Restricted for Approved Loans/Grants	\$1,064,866
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$779,742</u>