

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, FEBRUARY 13, 2024, 10:00 A.M., CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
FEBRUARY 13, 2024, 10:00 A.M., CT**

**Board
Members:**

Jeff Erickson
Matt Judson

**Sharon
Casey**

Mike Luken

**Don
Kettering**

Tom Jones

Reed Kessler

Joy Nelson

Eric Yunag

**Kevin
Tetzlaff**

David Emery

**Craig
Christianson**

Brad Moore

Non-Voting

**Senator
Reynold
Nesiba**

**Senator
Casey
Crabtree**

**Representative
Kameron
Nelson**

**Representative
Neal Pinnow**

Motion Sheet

(STAFF RECOMMENDATIONS)

Agenda

Motion to approve the agenda as presented.

Motion made by _____ and seconded by _____.

Minutes

Motion to approve the minutes of the meetings held January 9, 2024 and February 5, 2024, as presented

Motion made by _____ and seconded by _____.

Conflicts of Interest Disclosures

Public Comments

Commissioners Comments

Executive Session

Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. SDCL 1-16G-11

Motion made by _____ and seconded by _____.

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.

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

Motion made by _____ and seconded by _____.

Loan Review Summary

NextBeam, LLC and Watertown Development Company

Motion to approve the loan reviews and recommendations as presented.

Motion made by _____ and seconded by _____.

Old Business

Watertown Development Company

Motion to approve increasing the REDI loan amount as presented.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

New Business

Hairy Cow Brewing, LLC

Motion to approve a SD Works loan request from Hairy Cow Brewing, LLC in the amount of \$501,924. Secured by a sole second lien position on financed assets and the 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 made by _____ and seconded by _____.

Meridian Holdings, LLC

Motion to approve a SD Works loan request from Meridian Holdings, LLC in the amount of \$810,000. Secured by a shared first lien position on the project's CRE and the 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 made by _____ and seconded by _____.

Sentry, LLC

Motion to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from Sentry, LLC in the amount of \$1,275,000. Secured by a pro-rata shared first lien position on equipment, the personal guarantees 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 made by _____ and seconded by _____.

Sentry, LLC

Motion to approve a SD Works loan request from Sentry, LLC in the amount of \$637,500. Secured by a second lien position on equipment, the personal guarantees 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 made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

A

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, FEBRUARY 13, 2024, 10:00 A.M., CT**

The public may participate by the following:

Call In Number: (669) 900-9128 Meeting ID: 96677988449 Participant Id: # Passcode: 421401
www.zoom.com Meeting ID: 96677988449 Passcode: 421401

REGULAR SESSION AGENDA

10:00 A.M. Call to Order, Chairman Jeff Erickson

10:05 A.M. **Agenda**
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.

Minutes
RECOMMENDED ACTION: Motion to approve the minutes of January 9, 2024 and February 5, 2024, as presented.

Conflicts of Interest Disclosures

Public Comments

10:15 A.M. **Commissioner's Comments**

10:20 A.M. **Executive Session**
RECOMMENDED ACTION: Motion to enter into executive session to discuss contractual matters, and to discuss commercial and financial information relating to loan and other assistance applicants. SDCL 1-16G-11

11:00 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.

Other Motions

 Loan Review Summary
 Watertown Development Company
 Hairy Cow Brewing, LLC
 Meridian Holdings, LLC
 Sentry, LLC

Adjournment

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
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JANUARY 9, 2024, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Matt Judson, Mike Luken, Tom Jones, Joy Nelson, Craig Christianson, Brad Moore, Reynold Nesiba and Kameron Nelson

Staff Present

Deputy Commissioner Jesse Fonkert, Travis Dovre, Ashley Moore, Jack Valentine, Nadine Agneau, Stephanie Deyo, Nick Rabern, Joe Fiala, Adam Molseed, Curtis Egan, Tanner Beukelman, Brenna Block, Katherine Kirby, Missy Sinner and Ann Gesick-Johnson

Other Staff Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 10:02 a.m.

Agenda

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

Motion passed by a voice vote.

Minutes

A motion was made by Joy Nelson and seconded by Tom Jones to approve the minutes of the meetings held December 13, 2023 and January 2, 2024, as presented.

Motion passed by a voice vote.

Conflicts Disclosure

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.

Public Comments – none

Executive Session

A motion was made by Matt Judson and seconded by Craig Christianson to enter into Executive Session at 10:08 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 Chairman declared the board out of Executive Session at 10:42 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 Don Kettering and seconded by Mike Luken to approve the Chairman's report from Executive Session.
Motion passed by a voice vote.

Old Business

The Plains Apartments

A motion was made by Don Kettering and seconded by Matt Judson to approve the third commitment letter extending the loan commitment to August 1, 2024 and recommendations as presented and discussed.
Motion passed by a voice vote.

SFP, LLC

A motion was made by Brad Moore and seconded by Joy Nelson to approve extending the RPP construction start date to December 17, 2024.
Motion passed by a voice vote.

New Business

Cheese World, LLC

A motion was made by Craig Christianson and seconded by Mike Luken to approve a waiver of a loan over \$100,000 and approve the Cheese World, LLC project be awarded VASF funds in the amount of \$360,000 or 45% of the total eligible project costs. We further recommend this project be classified as a loan. If the concept is found feasible and the project proceeds with business creation, this amount will be repaid by the applicant according to the terms and conditions set forth in the VASF Loan Agreement.
Motion passed by a voice vote.

DeGeest Corp

A motion was made by Matt Judson and seconded by Don Kettering to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from DeGeest Corp in the amount of \$3,500,000. Secured by a prorated shared first lien position on assets and the 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.

DeGeest Corp

A motion was made by Mike Luken and seconded by Tom Jones to approve a SD Works loan request from DeGeest Corp in the amount of \$950,000. Secured by a sole second lien position on assets and the 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.

IMP Properties, LLC

A motion was made by Joy Nelson and seconded by Matt Judson to approve a REDI loan request from IMP Properties, LLC in the amount of \$617,828. Secured by a shared first

collateral position on financed assets, the personal guarantees 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.

IMP Properties, LLC

A motion was made by Mike Luken and seconded by Brad Moore to approve a SD Works loan request from IMP Properties, LLC in the amount of \$176,522. Secured by a second lien position on finance assets, the personal guarantees 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.

Kayla Lux

A motion was made by Don Kettering and seconded by Mike Luken to approve a SD Works loan request from Kayla Lux in the amount of \$400,000. Secured by a second lien position on the CRE, a blanket second lien UCC on the chattel assets, the personal guarantees 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.

Bills

A motion was made by Mike Luken and seconded by Craig Christianson to approve the bill payable to Department of Legislative Audit in the amount of \$27,264.70.

Motion passed by a voice vote.

Adjourn

A motion was made by Matt Judson and seconded by Mike Luken to adjourn the meeting at 10:53 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer

CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
MONDAY, FEBRUARY 5, 2024, 11:00 A.M. CT

Members Present

Chairman Jeff Erickson, Reed Kessler, Matt Judson and Craig Christianson

Staff Present

Commissioner Chris Schilken, Deputy Commissioner Jesse Fonkert, Ashley Moore, Travis Dovre, Jack Valentine, Nick Rabern, Lexxy Phillips, Joe Fiala, Adam Molseed, Brenna Block, Katerine Kirby and Tanner Beukelman

Others Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 11:00 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.

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 Comments- none

Executive Session

A motion was made Craig Christianson and seconded by Reed Kessler to enter into Executive Session at 11:01 a.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. SDCL 1-16G-11.

Motion passed by a voice vote.

Executive Session Report

The Chairman declared the Credit Committee out of Executive Session at 11:37 a.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 Craig Christianson and seconded by Reed Kessler to approve the Chairman's report from executive session.

Motion passed by a voice vote.

Loan Reviews

NextBeam, LLC and Watertown Development Company

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

A motion was made by Matt Judson and seconded by Craig Christianson.

Motion passed by a voice vote.

Old Business

Watertown Development Company

Credit Committee recommends to the Board approving an increase to the REDI loan amount as presented.

A motion was made by Matt Judson and seconded by Craig Christianson.

Motion passed by a voice vote.

New Business

Hairy Cow Brewing, LLC

Credit Committee recommends to the board approving the SD Works application as presented.

A motion was made by Matt Judson and seconded by Reed Kessler.

Motion passed by a voice vote.

Meridian Holdings, LLC

Credit Committee recommends to the board approving the SD Works application as presented.

A motion was made by Reed Kessler and seconded by Matt Judson.

Motion passed by a voice vote.

Sentry, LLC

Credit Committee recommends to the board approving the REDI and SD Works application as presented.

A motion was made by Matt Judson and seconded by Craig Christianson.

Motion passed by a voice vote.

Adjourn

A motion was made by Reed Kessler and seconded by Matt Judson to adjourn the meeting at 11:41 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer