

**BOARD OF ECONOMIC DEVELOPMENT
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
WEDNESDAY, MARCH 10, 2021, 10:00 A.M., CT**

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**BOARD OF ECONOMIC DEVELOPMENT
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
WEDNESDAY, MARCH 10, 2021, 10:00 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 February 10, 2021 and February 24, 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.**

Motion made by _____ and seconded by _____.

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)

Motion to approve the grant reviews as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

Old Business

Fall River Solar, LLC

Motion to approve extending the construction commencement date to September 8, 2021.

Motion made by _____ and seconded by _____.

IntraGlobal Biologics, Inc.

Motion to approve a one-year payment moratorium as presented.

Motion made by _____ and seconded by _____.

New Business

Economic Development Partnership Program

North Sioux City Economic Development Corporation

Motion 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 made by _____ and seconded by _____.

Reinvestment Payment Program

Blooming Valley Dairy, LLC

Motion 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 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, MARCH 10, 2021, 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
<https://state-sd.zoom.us/j/96677988449?pwd=S1I2bW5wRkd6OWJmVjUza0N2K1pDQT09>
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 February 10, 2021 and February 24, 2021, as presented.
- Conflicts of Interest Disclosures**
- Public Comments**
- Monthly Financials**
RECOMMENDED ACTION: No action taken.
- 10:10 A.M. **Commissioner's Comments**
- 10:15 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
- 10:35 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions**
- Grant Reviews
 - Fall River Solar, LLC
 - IntraGlobal Biologics, Inc.
 - Economic Development Partnership Program
 - North Sioux City Economic Development Corporation
 - Reinvestment Payment Program
 - Blooming Valley Dairy, 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, FEBRUARY 10, 2021, 11:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Matt Judson, Sharon Casey, Mike Luken, Ted Husted, Tom Jones, Reed Kessler, Joy Nelson, Pat Burchill, Kevin Tetzlaff, David Emery and Reynold Nesiba

Staff Present

Deputy Commissioner Mary Lehecka Nelson, Cassie Stoesser, Ashley Moore, LaJena Gruis, Cassidy Kulesa, Terri LaBrie, Dale Knapp and Brenna Block

Call to Order

Chairman Erickson called the meeting to order at 11:02 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by David Emery and seconded by Pat Burchill to approve the minutes of the meetings held January 13, 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. There were none from board members and no objection to proceeding with the agenda.

Public Comments – none

Executive Session

A motion was made by Joy Nelson and seconded by Matt Judson to enter into executive session at 11:11 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 11:28 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 Reed Kessler to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Reviews

South Dakota Division of Banking – Report from Examination

A motion was made by Pat Burchill and seconded by Joy Nelson to accept the exam as presented.

Motion passed by a roll call vote.

Old Business

Century Custom Molding, Inc.

A motion was made by Ted Hustead and seconded by Mike Luken to approve the request to release the UCC collateral from the REDI Loan.

Motion passed by a roll call vote.

Meridian Wind Project, LLC

A motion was made by Kevin Tetzlaff and seconded by Pat Burchill to approve extending the construction commencement date to September 10, 2021.

Motion passed by a roll call vote.

Riley Roo, LLC

A motion was made by Joy Nelson and seconded by Reed Kessler to approve extending the commitment letter to May 12, 2021 and change the balloon to a 10-year balloon.

Motion passed by a roll call vote.

Vander Dussen Dairy, LLC

A motion was made by David Emery and seconded by Pat Burchill to approve changing the project owner to Plainview Dairy, LLC.

Motion passed by a roll call vote.

Adjourn

The Chairman adjourned the meeting at 11:35 a.m.

Matt Judson, Treasurer

GRANT COMMITTEE
BHR CAPITOL CONFERENCE ROOM B20, 500 E CAPITOL AVE, PIERRE, SD
WEDNESDAY, FEBRUARY 24, 2021, 10:00 A.M. CT

Members Present

Chairman Don Kettering, Mike Luken, Ted Hustead and Sharon Casey

Staff Present

Commissioner Steve Westra, Deputy Commissioner Mary Lehecka Nelson, Cassie Stoesser, Ashley Moore and LaJena Gruis

Call to Order

Chairman Kettering called the meeting to order at 10:01 a.m.

Agenda

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

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Kettering 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 by Ted Hustead and seconded by Mike Luken to enter into executive session at 10:03 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 Grant Committee out of executive session at 10:16 a.m. The Chairman reported that the Board of Economic Development Grant Committee entered into Executive Session to discuss commercial and financial information relating to loan and other assistance to applicants. No action taken.

A motion was made by Ted Hustead and seconded by Mike Luken 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)

Grant Committee recommends to the Board approving the grant reviews as presented. A motion was made by Mike Luken and seconded by Ted Hustead.

Motion passed by a roll call vote.

New Business

Economic Development Partnership Program

North Sioux City Economic Development Corporation

Grant Committee recommends to the Board approving 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.

A motion was made by Ted Husted and seconded by Mike Luken.

Motion passed by a roll call vote.

Adjourn

A motion was made by Mike Luken and seconded by Ted Husted to adjourn the meeting at 10:20 a.m.

Motion passed by a roll call vote.

Matt Judson, Treasurer

C

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
FINANCIAL REPORT
(Compiled)
January 31, 2021**

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Clausen & Rice, Inc

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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 January 31, 2021, and the related statements of revenues, expenses and changes in net assets and cash flows for the seven 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
February 26, 2021

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

STATEMENT OF NET ASSETS

January 31, 2021

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$56,110,640
Cash and Investments-Designated for Approved REDI Loans	30,404,785
Cash-SD Jobs	1,866,545
Cash-Disaster Relief Fund	<u>1,924,485</u>
Total Cash and Investments	\$90,306,455
Accounts Receivable-Bankwest	52,678
Loans Receivable - REDI, net of allowance of \$1,551,393	38,148,546
Loan Interest Receivable	39,197
Net Pension Asset	1,335
Asset Held for Resale	321,037
Investment Income Receivable	<u>1,211,165</u>
TOTAL ASSETS	<u><u>\$130,080,413</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>129,994,353</u>
TOTAL NET POSITION	<u><u>\$129,994,353</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$130,150,252</u></u>

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Month Ending January 31, 2021

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$40,851	\$296,748
Ethanol Income - REDI	0	0
Other Income - REDI	3,934	11,801
Building South Dakota Income	0	0
LESS OPERATING EXPENSES		
Administrative Expenses	62,512	402,006
Bad Debt Expense	(21,919)	(243,289)
Other Expenses	44	30,512
Building South Dakota Grants	0	50,125
NET INCOME (LOSS) FROM OPERATIONS	\$4,148	\$69,195
NONOPERATING REVENUE		
Investment Income	179,790	1,211,165
CHANGE IN NET POSITION	\$183,938	\$1,280,360
NET POSITION, BEGINNING	129,810,415	128,713,993
Prior period Adjustment	0	0
NET POSITION, ENDING	<u>\$129,994,353</u>	<u>\$129,994,353</u>

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

For the Month Ending January 31, 2021

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$183,938	\$1,280,360
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	347,938	5,371,635
(Increase) Decrease in Loan Interest Receivable	49,027	58,888
(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	(179,790)	687,254
(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
	\$401,113	\$7,398,137
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	\$401,113	\$7,398,137
NET INCREASE IN CASH AND INVESTMENTS	\$401,113	\$7,398,137
CASH AND INVESTMENTS - BEGINNING	89,905,342	82,908,318
CASH AND INVESTMENTS - ENDING	\$90,306,455	\$90,306,455

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

ADDITIONAL LOAN INFORMATION - REDI

For the Month Ending January 31, 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
Watertown Development Company/Comprehensive Logisti	7/9/2019	\$ 2,050,560
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>\$ 30,404,785</u>

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING	January		
<u>Company Name</u>		<u>Advanced Date</u>	<u>Loan Amount</u>
None			

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

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

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

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

ADDITIONAL LOAN INFORMATION - SDJP

For the Month Ending January 31, 2021

See Accountant's Compilation Report

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	12/31/2020	\$1,866,545
Plus: Investment Council Interest		0
South Dakota Jobs		0
Less:		0
		\$1,866,545
Dedicated SDJP Fund Cash and Investments Balance	1/31/2021	\$1,866,545

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

Company Name	Approval Date	Amount Remaining	
Forest Products Distributors, Inc.	9/13/2018	21,937	\$21,937 Authorized
			\$0 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	61,055	\$61,055 Authorized
			\$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>\$1,147,858</u>	

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	\$1,866,545
Less Cash and Investments-Restricted for Approved Loans/Grants	\$1,147,858
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$718,687</u>