

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, APRIL 8, 2020, 10:00 A.M., CT**

TABLE OF CONTENTS

- A. Regular Session Agenda
- B. Minutes
- C. Monthly Financials
- D. Disaster Relief Subfund Memo
- E. Executive Session Agenda
- F. Watch List
- G. Payment Deferment Memo
- H. Fall River Solar, LLC
- I. Reinvestment Payment Program
 - 1. Day County Wind, LLC
 - 2. FIMCO, Inc.
- J. South Dakota Jobs Program
 - 1. Matt Storm

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, APRIL 8, 2020, 10:00 A.M., CT**

**Board
Members:**

Jeff Erickson

Matt Judson

*Sharon
Casey*

Mike Luken

Ted Husted

*Don
Kettering*

Tom Jones

Reed Kessler

Joy Nelson

Eric Yunag

Pat Burchill

*Kevin
Tetzlaff*

David Emery

Non-Voting

Lee Qualm

Erin Healy

*Craig
Kennedy*

Kris Langer

**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 March 3, 2020 and March 26, 2020, 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.

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 _____.

Old Business

Fall River Solar, LLC

Motion to approve a construction extension to March 2021.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

New Business
Reinvestment Payment Program
Day County Wind, LLC

Motion to be provided.

Motion made by _____ and seconded by _____.

FIMCO, Inc.

Motion to approve the Reinvestment Payment Program grant application to FIMCO, Inc. 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 \$45,000 but not to exceed 50% percent of State Sales/Use Tax paid on eligible project costs, is approved for FIMCO, Inc. 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 _____.

South Dakota Jobs Program

Matt Storm

Motion to approve the South Dakota Jobs Program grant application to Matt Storm.

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$24,833. but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved for Matt Storm. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule.

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, SD
WEDNESDAY, APRIL 8, 2020, 10:00 A.M. CT**

*The public may participate by teleconference during state office closure.
Call in Number - 866-410-8397 Code - 6579820148*

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 March 11, 2020 and March 26, 2020, as presented.

Conflicts of Interest Disclosures

Public Comments

Monthly Financials
RECOMMENDED ACTION: No action taken.

Disaster Relief Subfund
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

Fall River Solar, LLC
Reinvestment Payment Program
Day County Wind, LLC
FIMCO, Inc.
South Dakota Jobs Program
Matt Storm

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. Please call (605) 773-4633 for assistance or access to the building during state office closures.

B

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, MARCH 11, 2020, 10:00 A.M. CT**

Members Present

Chairman Jeff Erickson, Matt Judson, Sharon Casey, Mike Luken, Ted Hustead, Don Kettering, Tom Jones, Reed Kessler and David Emery

Staff Present

Commissioner Steve Westra, Cassie Stoesser, Ashley Moore, LaJena Gruis, Cassidy Kulesa, Joe Fiala and Dale Knapp

Other Staff Present

Andrew Coppersmith and Mike Bietz - BankWest, Inc.

Call to Order

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

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Mike Luken and seconded by Sharon Casey to approve the minutes of the meetings held February 12, 2020, February 26, 2020 and March 3, 2020, 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 Don Kettering and seconded by Mike Luken to enter into executive session at 10:12 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 10:36 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 David Emery 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 Tom Jones and seconded by Don Kettering to accept the exam as presented.

Motion passed by a roll call vote.

Loan Review Summary

MW Properties, LLC

A motion was made by Reed Kessler and seconded by Mike Luken to approve the loan review and recommendation as presented.

Motion passed by a roll call vote.

Grant Reviews

Economic Development Partnership Program (Brookings Economic Development Corporation, Onida Area Development Corporation (RLF), First District Association of Local Governments (RLF), Brookings Economic Development Corporation (RLF), Glacial Lake Area Development (RLF), Herreid Economic Development Corporation (RLF) and Beadle and Spink Enterprise Community (RLF)), Local Infrastructure Improvement Program (Turner County) and Reinvestment Payment Program (Northern States Power Company, Coyote Ridge Wind, LLC, Deuel Harvest Wind Energy, LLC, Fall River Solar, LLC, Philip Wind Partners, LLC and US Foods, Inc.)

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

Motion passed by a roll call vote.

Old Business

Sioux Falls Development Foundation

A motion was made by Tom Jones and seconded by Mike Luken to approve the collateral release 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 David Emery and seconded by Ted Husted 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 passed by a roll call vote.

Local Infrastructure Improvement Program

Clark County

A motion was made by Don Kettering and seconded by Reed Kessler to approve the Local Infrastructure Improvement application to Clark County as recommended by staff and Grant Committee.

Approve a Local Infrastructure Improvement grant award to Clark County in the amount of \$500,000 not to exceed 50% of total project, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

South Dakota Jobs Program
Pacer Minerals LLC

A motion was made by Ted Husted and seconded by Mike Luken to approve the South Dakota Jobs Program grant application to Pacer Minerals LLC as recommended by staff.

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$27,000, but not to exceed 50% of the State Sales and Use Tax paid on eligible equipment costs, is approved for Pacer Minerals, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule. Motion passed by a roll call vote.

Washington Feeders, LLC (North)

A motion was made by Matt Judson and seconded by Don Kettering to approve the South Dakota Jobs Program grant application to Washington Feeders, LLC (North).

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$28,080, but not to exceed the State Sales and Use Tax paid on eligible project costs, is approved for Washington Feeders, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule. Motion passed by a roll call vote.

Washington Feeders, LLC (South)

A motion was made by Mike Luken and seconded by Ted Husted to approve the South Dakota Jobs Program grant application to Washington Feeders, LLC (South).

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$28,080, but not to exceed the State Sales and Use Tax paid on eligible project costs, is approved for Washington Feeders, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule. Motion passed by a roll call vote.

Adjourn

The Chairman adjourned the meeting at 10:36 a.m.

Matt Judson, Treasurer

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, MARCH 26, 2020, 11:00 A.M. CT**

Members Present

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

Staff Present

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

Other Staff Present

Andrew Coppersmith - BankWest, Inc.

Call to Order

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

Agenda

A motion was made by Mike Luken and seconded by Eric Yunag to approve the agenda 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

Payment Modification Memo

A motion was made by Matt Judson and seconded by Sharon Casey to approve the Board granting authority to the Commissioner to approve a three (3) month deferment of payments for borrowers that can demonstrate COVID-19 has had a negative effect on their business, and to grant to the Commissioner the power to approve up to three subsequent months of interest-only payments to borrowers granted the initial three month deferment who demonstrate, to the Commissioner's satisfaction, that COVID-19 is at that time still causing a material negative impact on their business

Motion passed by a roll call vote.

Adjourn

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

Matt Judson, Treasurer

C

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

FINANCIAL REPORT

(Compiled)

February 29, 2020

CONTENTS

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4
ADDITIONAL LOAN INFORMATION - REDI	5-6
ADDITIONAL LOAN INFORMATION - SOUTH DAKOTA JOBS	7

Clausen & Rice, Inc

Certified Public Accountants and Business Consultants

John E. Clausen, CPA

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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 29, 2020, 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 7 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 31, 2020

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

STATEMENT OF NET ASSETS

February 29, 2020

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$58,846,417
Cash and Investments-Designated for Approved REDI Loans	19,167,198
Cash-SD Jobs	<u>1,915,934</u>
Total Cash and Investments	\$79,929,549
Accounts Receivable-Bankwest	305,204
Loans Receivable - REDI, net of allowance of \$740,855	37,288,114
Loan Interest Receivable	96,928
Net Pension Asset	342
Due From Other Funds	0
Investment Income Receivable	<u>1,260,412</u>
TOTAL ASSETS	<u><u>\$118,880,549</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pensions	<u>118,690</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>118,690</u></u>

LIABILITIES

Accounts Payable	\$11,787
Wages and Benefits Payable	\$21,851
Accrued Leave Payable	\$25,290
Net Pension Liability	\$0
Due To Other Funds	<u>\$6,594</u>
TOTAL LIABILITIES	<u><u>\$65,522</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Pensions	<u>25,928</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>25,928</u></u>

NET POSITION

Investment in Capital Assets	0
Unrestricted	<u>118,907,789</u>
TOTAL NET POSITION	<u><u>\$118,907,789</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$118,999,239</u></u>

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Month Ending February 29, 2020

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$62,777	\$634,646
Ethanol Income - REDI	0	0
Other Income - REDI	7,875	43,359
Building South Dakota Income	0	0
LESS OPERATING EXPENSES		
Administrative Expenses	50,000	459,412
Bad Debt Expense	(57,470)	(68,690)
Other Expenses	0	6,373
Building South Dakota Grants	<u>31,893</u>	<u>61,278</u>
NET INCOME (LOSS) FROM OPERATIONS	\$46,229	\$219,632
NONOPERATING REVENUE		
Investment Income	<u>162,713</u>	<u>1,299,817</u>
CHANGE IN NET POSITION	\$208,942	\$1,519,449
NET POSITION, BEGINNING	118,698,847	117,388,340
Prior period Adjustment	<u>0</u>	<u>0</u>
NET POSITION, ENDING	<u>\$118,907,789</u>	<u>\$118,907,789</u>

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

For the Month Ending February 29, 2020

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$208,942	\$1,519,449
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	(158,316)	2,311,712
(Increase) Decrease in Loan		
Interest Receivable	(8,345)	(59,569)
(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	(162,713)	276,316
(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
	(\$120,432)	\$4,047,908
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	(\$120,432)	\$4,047,908
NET INCREASE IN CASH AND INVESTMENTS		
CASH AND INVESTMENTS - BEGINNING	80,049,981	75,881,640
CASH AND INVESTMENTS - ENDING	\$79,929,549	\$79,929,548

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

ADDITIONAL LOAN INFORMATION - REDI

For the Month Ending February 29, 2020

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
K&M Tire, Inc.	8/14/2018	\$ 786,300
Terex South Dakota, Inc.	9/13/2018	\$ 10,000,000
R & R Holdings, LLC	2/12/2019	\$ 1,278,000
Watertown Development Company/Comprehensive Logisti	7/9/2019	\$ 2,050,560
Riley Roo, LLC	2/12/2020	\$ 300,000
Total		<u>\$ 19,167,198</u>

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING	February		
<u>Company Name</u>		<u>Advanced Date</u>	<u>Loan Amount</u>
Advanced Ag Products, LLC		2/13/2020	\$787,500

REDI LOANS PAID OFF, DURING	February		
<u>Company Name</u>		<u>Pay-off Date</u>	<u>Original Loan Amount</u>
Kerry K Erngle Separate Property Trust		2/10/2020	\$594,802

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

REDI LOANS WITHDRAWN, DURING	February		
<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 February 29, 2020
See Accountant's Compilation Report**

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	1/31/2020	\$1,947,827
Plus: Investment Council Interest		0
South Dakota Jobs		0
Less:		
Benaiah Management Company, Inc.		(31,893)
Dedicated SDJP Fund Cash and Investments Balance	2/29/2020	<u>\$1,915,934</u>

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

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
VRC Metal Systems, LLC	9/12/2017	0	\$45,000 Authorized
* Returned remaining balance of \$15,614.63.			\$29,385 Disbursed
Century Custom Molding, Inc.	10/24/2017	76,500	\$76,500 Authorized
			\$0 Disbursed
True North Steel, Inc.	4/10/2018	26,257	\$26,257 Authorized
			\$0 Disbursed
MNY Group, LLC dba Life Floor	8/14/2018	17,674	\$17,674 Authorized
			\$0 Disbursed
Forest Products Distributors, Inc.	9/13/2018	21,937	\$21,937 Authorized
			\$0 Disbursed
Benaiah Management Company, Inc.	12/11/2018	0	\$100,000 Authorized
* Returned remaining balance of \$68,107.40.			\$31,893 Disbursed
Sonstegard Foods Company	8/13/2019	350,450	\$350,450 Authorized
			\$0 Disbursed
Joel Rempfer	8/13/2019	11,970	\$11,970 Authorized
			\$0 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
		<u>\$994,872</u>	

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	\$1,915,934
Less Cash and Investments-Restricted for Approved Loans/Grants	\$994,872
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$921,062</u>

D



SOUTH DAKOTA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

Governor Noem's Covid 19 Disaster Relief Fund

Appropriate Eligibility Requirements:

1. Be a small for-profit or non-profit business as defined by SBA, but with less than 250 employees
2. Physical presence in South Dakota
3. Established prior to March 2020
4. Provide a certification from a South Dakota banker and/or South Dakota CPA that: he/she has reviewed recent financial condition of the applicant, that the applicant's business has incurred economic injury as a result of the COVID-19 pandemic, and the applicant needs the funds for SD operations
5. Have a personal credit with a minimum score of 650; lower requires a special exception
6. Demonstrate 1:1 debt coverage ratio with the new debt factored under normal circumstances

Loan Details:

- A. Amount:
 - i. Min: \$5,000
 - ii. Max: \$75,000
- B. Terms:
 - i. Interest rate: 0%
 - ii. Fees: none
- C. Amortization:
 - i. No payments for initial 6 months
 - ii. Maximum term of 60 months (prefer shorter term for smaller loans)
 - iii. Automatic Payment Required
 - iv. No pre-payment penalty
- D. Security:
 - i. Personal guaranties for any owner with at least a 20% share of the business
 - ii. A blanket security agreement
 - iii. Loan over \$25,000 may require additional collateral (mortgage, etc)
 - iv. Loans will be made directly to small businesses

Loan Agreement Terms:

- Proceeds from the loan must be held in a separate bank account at a bank in South Dakota.
- Applicant must provide regular expenditure reports to GOED documenting that the use of proceeds were used for normal recurring operating expenses.
- Proceeds may not be used for any distributions or dividends to owners.
- GOED makes no assurances as to how approval or denial of this application will impact the applicant's ability to pursue other financing from the SBA or any other source.

- As a subfund of REDI, these loans will be subject to annual audit by Department of Legislative Audit
- Board of Economic Development will review Eligibility Requirements and Loan Terms; a public monthly report will be provided to them on loan activity.
- Loans will be approved by the Commissioner of the Governor’s Office of Economic Development*
- All application materials are confidential. Name of all loan recipients will be a public record.

GOED expects high demand for these loans, and applications will be evaluated on a “first come, first served” basis.

**after consultation with the Credit Review Committee
April 2, 2020 draft*

P 605 773 4633 | T 800 872 6190 | SDREADYTOWORK.COM
711 EAST WELLS AVENUE PIERRE SOUTH DAKOTA 57501