

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 9, 2019, 2:00 P.M., CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 9, 2019, 2:00 P.M. CT**

**Board
Members:**

Jeff Erickson

Dale Clement

Matt Judson

*Sharon
Casey*

Mike Luken

Ted Husted

*Don
Kettering*

*Pat
Prostrallo*

Tom Jones

*Norbert
Sebade*

Reed Kessler

Joy Nelson

Eric Yunag

Non-Voting

Lee Qualm

*Justin
Cronin*

Erin Healy

*Craig
Kennedy*

**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 12, 2019 and April 2, 2019, 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. [2:00 p.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

Sioux Falls Development Foundation

Motion to approve the collateral releases as presented.

Motion made by _____ and seconded by _____.

Willow Creek Wind Power, LLC

Motion to approve extending the construction commencement date to July 27, 2019.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

Bill

Motion to approve the bill payable to PIDC in the amount of \$8,325 for Portfol Annual Maintenance.

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
TUESDAY, APRIL 9, 2019, 2:00 P.M. CT**

REGULAR SESSION AGENDA

- 2:00 P.M. Call to Order, Chairman Jeff Erickson
- 2:05 P.M. **Agenda**
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.
- Minutes**
RECOMMENDED ACTION: Motion to approve the minutes of March 12, 2019 and April 2, 2019, as presented.
- Conflicts of Interest Disclosures**
- Public Comments**
- Monthly Financials**
RECOMMENDED ACTION: No action taken.
- 2:10 P.M. **Commissioner's Comments**
- 2:15 P.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.
- 2:30 P.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions**
Sioux Falls Development Foundation
Willow Creek Wind Power, LLC
- Bills
PIDC - \$8,325.00

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.

Participation in the meeting can be at GOED at 711 E Wells Ave, Pierre, South Dakota, or the GOED office at the Zeal Center for Entrepreneurship at 2329 N. Career Avenue, Sioux Falls, South Dakota.

B

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MARCH 12, 2019, 9:30 A.M. CT**

Members Present

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

Staff Present

Commissioner Steve Westra, Cassie Stoesser, Ashley Moore, LaJena Gruis, Cassidy Kulesa, Dale Knapp, Natalie Likness, Mary Lehecka Nelson and Joe Fiala

Other Staff Present

Andrew Coppersmith, Mike Bietz and Laura Hansen - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:31 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the minutes of the meetings held February 12, 2019, February 20, 2019 and March 4, 2019, 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

Sharon Casey joined the called at 9:45 a.m.

Executive Session

A motion was made by Ted Hustead and seconded by Sharon Casey to enter into executive session at 9:46 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 10:07 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 Pat Prostrollo to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review Summary

Agile Manufacturing of SD, Inc. and Bel Brands USA, Inc.

A motion made by Dale Clement and seconded by Mike Luken to approve the loan reviews and recommendations as presented.

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, Glacial Lakes Area Development, Herreid Economic Development Corporation, Beadle and Spink Enterprises Community, Brookings Economic Development Corporation, Centerville Development Corporation and Yankton Area Progressive Growth) Local Infrastructure Improvement Program (City of Huron and City of North Sioux City) and Reinvestment Payment Program (Northern States Power Company)

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

Motion passed by a roll call vote.

Old Business

WM3D SD Properties, LLC

A motion was made by Pat Prostrollo and seconded by Tom Jones to approve allowing staff and Chairman to work with legal counsel.

Motion passed by a roll call vote.

New Business

Economic Development Partnership Program

Rural Electric Economic Development, Inc.

A motion was made by Pat Prostrollo and seconded by Mike Luken to approve as recommended by staff and Grant Committee.

Rural Electric Economic Development, Inc.

Approve an Economic Development Partnership grant award to Rural Electric Economic Development, Inc. in the amount of \$7,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Training Only.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program

Sioux Falls Development Foundation

A motion was made by Ted Hustead and seconded by Don Kettering to approve as recommended by staff and Grant Committee.

Sioux Falls Development Foundation

Approve a Local Infrastructure Improvement grant award to Sioux Falls Development Foundation in the amount of \$65,612, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion passed by a roll call vote.

Adjourn

The Chairman declared the meeting adjourned at 10:13 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or Matt Judson, Treasurer

CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 2, 2019, 1:00 P.M. CT

Members Present

Vice-Chairman Don Kettering, Dale Clement. Pat Prostrollo and Norbert Sebade

Staff Present

Commissioner Steve Westra, Cassie Stoesser, Ashley Moore and Cassidy Kulesa

Other Staff Present

Andrew Coppersmith - BankWest, Inc.

Call to Order

Vice-Chairman Kettering called the meeting to order at 1:05 p.m.

Agenda

A motion was made by Pat Prostrollo and seconded by Dale Clement to approve the agenda as presented.

Motion passed by a roll call vote.

Conflicts Disclosure – Vice-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 Comment Period – none

Executive Session

A motion was made by and seconded by Pat Prostrollo to enter into executive session at 1:07 p.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.add

Motion passed by a roll call vote.

Executive Session Report

The Vice-Chairman declared the Credit Committee out of executive session at 1:10 p.m. The Vice-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 Dale Clement and seconded by Norbert Sebade to approve the vice-chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Sioux Falls Development Foundation

Credit Committee recommends to the Board to approve the collateral releases as presented.

A motion was made by Pat Prostrollo and seconded by Norbert Sebade.

Motion passed by a roll call vote.

Adjourn

A motion was made by Pat Prostrollo and seconded by Dale Clement to adjourn the meeting at 1:12 p.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or Matt Judson, Treasurer

C

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
FINANCIAL REPORT
(Compiled)
February 28, 2019**

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Clausen & Rice, LLP

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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, 2019, 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, LLP

Pierre, South Dakota
March 30, 2019

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

STATEMENT OF NET ASSETS

February 28, 2019

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$47,055,965
Cash and Investments-Designated for Approved REDI Loans	25,180,036
Cash-SD Jobs	<u>1,431,726</u>
Total Cash and Investments	\$73,667,727
Accounts Receivable-Bankwest	7,431
Loans Receivable - REDI, net of allowance of \$1,017,223	41,256,854
Loan Interest Receivable	45,451
Net Pension Asset	1,514
Due From Other Funds	506,081
Investment Income Receivable	<u>1,229,753</u>
TOTAL ASSETS	<u><u>\$116,714,811</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pensions	<u>162,747</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>162,747</u></u>

LIABILITIES

Accounts Payable	\$12,196
Wages and Benefits Payable	\$22,291
Accrued Leave Payable	\$23,876
Net Pension Liability	\$0
Due To Other Funds	<u>\$8,003</u>
TOTAL LIABILITIES	<u><u>\$66,366</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Pensions	<u>29,509</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>29,509</u></u>

NET POSITION

Investment in Capital Assets	0
Unrestricted	<u>116,781,683</u>
TOTAL NET POSITION	<u><u>\$116,781,683</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$116,877,558</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, 2019

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$67,855	\$450,563
Ethanol Income - REDI	0	0
Other Income - REDI	0	98,244
Building South Dakota Income	0	0
LESS OPERATING EXPENSES		
Administrative Expenses	55,433	401,890
Bad Debt Expense	(3,633)	141,282
Other Expenses	3,100	12,072
Building South Dakota Grants	0	63,801
NET INCOME (LOSS) FROM OPERATIONS	\$12,955	(\$70,238)
NONOPERATING REVENUE		
Investment Income	150,023	1,253,322
CHANGE IN NET POSITION	\$162,978	\$1,183,084
NET POSITION, BEGINNING	116,618,705	115,598,599
Prior period Adjustment	0	0
NET POSITION, ENDING	<u>\$116,781,683</u>	<u>\$116,781,683</u>

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

For the Month Ending February 28, 2019

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$162,978	\$1,183,084
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	222,161	(1,988,597)
(Increase) Decrease in Loan		
Interest Receivable	(10,010)	(10,061)
(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	(150,023)	(344,041)
(Increase) Decrease in Due From Other Funds	(281,081)	(506,081)
(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
	(\$55,975)	(\$1,665,696)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	(\$55,975)	(\$1,665,696)
NET INCREASE IN CASH AND INVESTMENTS	73,723,702	75,333,423
CASH AND INVESTMENTS - BEGINNING	73,723,702	75,333,423
CASH AND INVESTMENTS - ENDING	<u>\$73,667,727</u>	<u>\$73,667,727</u>

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

ADDITIONAL LOAN INFORMATION - REDI

For the Month Ending February 28, 2019

See Accountant's Compilation Report

REDI LOANS APPROVED, NOT ADVANCED

<u>Company Name</u>	<u>Approval Date</u>	<u>Loan Amount</u>
O'Conner Kiln and Dryer, Inc.	8/8/2017	\$ 440,196
JMo Holdings, Inc.	9/12/2017	\$ 3,600,000
Fiedler Holding, LLC	10/24/2017	\$ 1,152,338
Intrinsic Materials Corp.	2/13/2018	\$ 2,546,302
Farmer Union Industries, LLC	6/12/2018	\$ 3,600,000
K&M Tire, Inc.	8/14/2018	\$ 786,300
Terex South Dakota, Inc.	9/13/2018	\$ 10,000,000
RPC Land, LLC	12/11/2018	\$ 845,000
Watertown Development Company/Dakota Tube R & R Holdings, LLC	12/11/2018 2/12/2019	\$ 931,900 \$ 1,278,000
Total		<u>\$ 25,180,036</u>

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING	February	Advanced Date	Loan Amount
<u>Company Name</u>		<u> </u>	<u> </u>

None

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, 2019

See Accountant's Compilation Report

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	1/31/2019	\$1,712,807
Plus: Investment Council Interest		0
South Dakota Jobs		0
		0
Less:		0
Due from other funds		(281,081)
		0
Dedicated SDJP Fund Cash and Investments Balance	2/28/2019	<u>\$1,431,726</u>

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

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Applied Engineering, Inc.	3/14/2017	0	\$39,801 Authorized
			\$39,801 Disbursed
VRC Metal Systems, LLC	9/12/2017	45,000	\$45,000 Authorized
			\$0 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
Masaba, Inc.	7/10/2018	0	\$24,000 Authorized
			\$24,000 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	100,000	\$100,000 Authorized
			\$0 Disbursed
		<u>\$287,368</u>	

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	\$1,431,726
Less Cash and Investments-Restricted for Approved Loans/Grants	\$287,368
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$1,144,358</u>