

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, JUNE 9, 2021, 10:00 A.M., CT**

TABLE OF CONTENTS

- A. Regular Session Agenda
- B. Minutes
- C. Monthly Financials
- D. Executive Session Agenda
- E. Monthly Status Report
- F. Watch List
- G. Grant Reviews
- H. Loan Review Summary
- I. The Plains Apartments, LLC
- J. Economic Development Partnership Program
 - 1. Wall Economic Development Corporation
- K. Local Infrastructure Improvement Program
 - 1. City of Box Elder
- L. Reinvestment Payment Program
 - 1. Link Snacks, Inc.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, JUNE 9, 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 May 12, 2021 and June 1, 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* **Reviews**
Reinvestment Payment Program (Otter Tail Power and Dakota Range III, LLC) and South Dakota Jobs Program (Pacer Minerals, LLC)

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

Motion made by _____ and seconded by _____.

Loan Review Summary

SSM, LLC

Motion to approve the loan review and recommendation as presented.

Motion made by _____ and seconded by _____.

Old Business

The Plains Apartments, LLC

Motion to approve the changes as presented.

Motion made by _____ and seconded by _____.

New Business

Economic Development Partnership Program

Wall Economic Development Corporation

Motion to approve the Economic Development Partnership grant award to Wall Economic Development Corporation in the amount up to \$472.50, 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 _____.

Local Infrastructure Improvement Program

City of Box Elder

Motion to approve the Local Infrastructure Improvement grant award to the City of Box Elder in the amount of \$240,125, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

Reinvestment Payment Program

Link Snacks, Inc.

Motion to approve the Reinvestment Payment Program grant application to Link Snacks, 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 \$1,640,844 but not to exceed the State Sales/Use Tax paid on eligible project costs, is approved for Link Snacks, 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 _____.

Adjourn

Motion made by _____ and seconded by _____.

A

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, JUNE 9, 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 May 12, 2021 and June 1, 2021, as presented.
- Conflicts of Interest Disclosures**
- Public Comments**
- Monthly Financials**
RECOMMENDED ACTION: No action taken.
- 10:15 A.M. **Commissioner's Comments**
- 10:20 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
- 11:00 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions**
 Grant Reviews
 Loan Review Summary
 The Plains Apartments, LLC
 Economic Development Partnership Program
 Wall Economic Development Corporation
 Local Infrastructure Improvement Program
 City of Box Elder
 Reinvestment Payment Program
 Link Snacks, Inc.

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
WEDNESDAY, MAY 12, 2021, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Matt Judson, Sharon Casey, Mike Luken, Don Kettering, Tom Jones, Reed Kessler, Joy Nelson, Eric Yunag, Pat Burchill, Kevin Tetzlaff, David Emery, Reynold Nesiba and Jennifer Keintz

Staff Present

Commissioner Steve Westra, Travis Dovre, Ashley Moore, Cassidy Kulesa and Joe Fiala

Other Staff Present

Mike Bietz, Andrew Coppersmith and Penny Kelley – 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 Eric Yunag to approve the agenda as amended.

Motion passed by a roll call vote.

Minutes

A motion was made by Joy Nelson and seconded by Don Kettering to approve the minutes of the meetings held April 14, 2021 and May 3, 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. Jeff Erickson declared a potential conflict with Dakota Protein Solutions, LLC and Fox Run Townhomes, LLC as he is a shareholder and on the Board of Directors for American Bank and Trust and he would not partake in the discussion or vote on the project. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from the board members and no objection to proceeding with the agenda.

Public Comments – none

Executive Session

A motion was made by Pat Burchill and seconded by Mike Luken to enter into Executive Session at 10:10 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 10:35 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 Kevin Tetzlaff to approve the Chairman's report from Executive Session.

Motion passed by a roll call vote.

Old Business

Sonstegard Foods Company

A motion was made by Joy Nelson and seconded by Tom Jones to approve extending the construction commencement date to October 12, 2021.

Motion passed by a roll call vote.

Watertown Development Company/Dakota Tube

A motion was made by Mike Luken and seconded by David Emery to approve extending the maturity of REDI loan 18-15-A to match the maturity of REDI loan 20-07-A.

Motion passed by a roll call vote.

New Business

Dakota Protein Solutions, LLC

A motion was made by Pat Burchill and seconded by Mike Luken to approve the waiver for a loan over \$1,000,000 and a loan request from Dakota Protein Solutions, LLC in the amount of \$3,837,000. Secured by a shared first position on real estate and equipment and unlimited, unsecured personal guaranty of 125% ownership for all owners and LLC's.

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 roll call vote with Jeff Erickson abstaining.

Fox Run Townhomes, LLC

A motion was made by Don Kettering and seconded by Joy Nelson to approve the waiver for a loan over \$1,000,000 and a loan request from Fox Run Townhomes, LLC in the amount of \$4,864,725. Secured by a shared first position CREM and assignment of lease and rents and unlimited personal guaranty of 125% ownership for all owners.

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 roll call vote with Jeff Erickson abstaining.

Adjourn

The Chairman adjourned the meeting at 10:45 a.m.

Matt Judson, Treasurer

**CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JUNE 1, 2021, 1:00 P.M. CT**

Members Present

Chairman Jeff Erickson, Don Kettering and Pat Burchill

Staff Present

Commissioner Steve Westra, Deputy Commissioner Chris Schilken, Ashley Moore and Travis Dovre

Other Staff Present

Andy Hubbard and Penny Kelley - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:01 p.m.

Agenda

A motion was made by Pat Burchill and seconded by Don Kettering 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 Don Kettering and seconded by Pat Burchill to enter into Executive Session at 1:03 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 1:40 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 Pat Burchill and seconded by Don Kettering to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review

SSM, LLC

Credit Committee recommends to the Board approving the loan review and recommendation as presented and discussed.

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

Motion passed by a roll call vote.

The Plains Apartments, LLC

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

Adjourn

The Chairman declared the meeting adjourned at 1:42 p.m.

Matt Judson, Treasurer

C

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
FINANCIAL REPORT
(Compiled)
April 30, 2021**

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	7-8

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 April 30, 2021, and the related statements of revenues, expenses and changes in net assets and cash flows for the ten 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
May 27, 2021

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
STATEMENT OF NET ASSETS**

April 30, 2021

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$62,303,023
Cash and Investments-Designated for Approved REDI Loans	23,602,712
Cash-SD Jobs	1,806,677
Cash-Disaster Relief Fund	<u>2,549,019</u>

Total Cash and Investments	\$90,261,431
Accounts Receivable-Bankwest	52,678
Loans Receivable - REDI, net of allowance of \$1,490,427	38,197,438
Loan Interest Receivable	51,169
Net Pension Asset	1,335
Asset Held for Resale	321,037
Investment Income Receivable	<u>1,746,483</u>

TOTAL ASSETS	<u><u>\$130,631,571</u></u>
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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>
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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>130,545,511</u>

TOTAL NET POSITION	<u><u>\$130,545,511</u></u>
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TOTAL LIABILITIES AND NET POSITION	<u><u>\$130,701,410</u></u>
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SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Month Ending April 30, 2021

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$55,270	\$452,181
Ethanol Income - REDI	0	0
Other Income - REDI	5,863	43,395
Building South Dakota Income	0	0
LESS OPERATING EXPENSES		
Administrative Expenses	56,057	564,175
Bad Debt Expense	(29,226)	(304,256)
Other Expenses	9,989	40,628
Building South Dakota Grants	0	109,994
NET INCOME (LOSS) FROM OPERATIONS	\$24,313	\$85,035
NONOPERATING REVENUE		
Investment Income	178,160	1,746,483
CHANGE IN NET POSITION	\$202,473	\$1,831,518
NET POSITION, BEGINNING	130,343,038	128,713,993
Prior period Adjustment	0	0
NET POSITION, ENDING	<u>\$130,545,511</u>	<u>\$130,545,511</u>

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

For the Month Ending April 30, 2021

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$202,473	\$1,831,518
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	601,430	5,322,742
(Increase) Decrease in Loan Interest Receivable	(2,997)	46,916
(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	(178,160)	151,937
(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
	<hr/>	<hr/>
Net Cash provided from (used in) Operating Activities	\$622,746	\$7,353,113
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	<hr/>	<hr/>
NET INCREASE IN CASH AND INVESTMENTS	\$622,746	\$7,353,113
CASH AND INVESTMENTS - BEGINNING	89,638,685	82,908,318
	<hr/>	<hr/>
CASH AND INVESTMENTS - ENDING	<u>\$90,261,431</u>	<u>\$90,261,431</u>

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

ADDITIONAL LOAN INFORMATION - REDI

For the Month Ending April 30, 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
WYTEC, LLC	6/10/2020	\$ 3,000,000
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>\$ 23,602,712</u>

See Accountant's Compilation Report

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

REDI LOANS PAID OFF, DURING	April	Pay-off Date	Original Loan Amount
<u>Company Name</u>		<u>Date</u>	<u>Amount</u>
Streff Properties, LLC		4/9/2021	\$234,000

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

REDI LOANS WITHDRAWN, DURING	April	Withdrawal Date	Withdrawn Amount
<u>Company Name</u>		<u>Date</u>	<u>Amount</u>
Fielder Holdings, LLC		4/12/2021	\$1,152,338

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

ADDITIONAL LOAN INFORMATION - SDJP

For the Month Ending April 30, 2021

See Accountant's Compilation Report

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	3/31/2021	\$1,806,677
Plus: Investment Council Interest		0
South Dakota Jobs		0
Less:		0
		\$1,806,677
Dedicated SDJP Fund Cash and Investments Balance	4/30/2021	\$1,806,677

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 \$9,184 Disbursed
*Returned \$2,785.70			
J & A Hog Company, LLC	9/10/2019	0	\$49,207 Authorized \$16,925 Disbursed
*Returned 32,282.37			
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 \$0 Disbursed
*Returned 61,055			
J and K Feeders, LLC	10/24/2019	87,123	\$87,123 Authorized \$0 Disbursed
Firesteel Finishers, LLC	11/13/2019	0	\$46,277 Authorized \$21,007 Disbursed
*Returned \$25,270.15			
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

