

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, AUGUST 14, 2024, 10:00 A.M., CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, AUGUST 14, 2024, 10:00 A.M., CT**

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

**Board
Members:**

Motion Sheet

Jeff Erickson

(STAFF RECOMMENDATIONS)

Matt Judson

Agenda

Motion to approve the agenda as approved.

**Sharon
Casey**

Mike Luken

Motion made by _____ and seconded by _____.

**Don
Kettering**

Minutes

Motion to approve the minutes of the meetings held July 10, 2024 and August 5, 2024, as presented

Tom Jones

Reed Kessler

Motion made by _____ and seconded by _____.

Joy Nelson

Conflicts of Interest Disclosures

Eric Yunag

Public Comments

**Kevin
Tetzlaff**

Commissioners Comments

David Emery

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

**Craig
Christianson**

Brad Moore

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
Kameron
Nelson**

Motion made by _____ and seconded by _____.

Old Business

**Representative
Neal Pinnow**

Mitchell Area Development Corporation

Motion to approve extending the grant agreement expiration date to October 1, 2024.

Motion made by _____ and seconded by _____.

SD Works Memo

Motion to approve the transition as presented.

Motion made by _____ and seconded by _____.

New Business

Community Coordinated Transportation Systems

Motion to approve a SD Works loan request from Community Coordinated Transportation Systems in the amount of \$375,000. Secured by a sole second position on the real estate and a sole second security position on all business assets.

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 _____.

Parker Hannifin

Motion to approve the Reinvestment Payment Program grant application to Parker Hannifin 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 up to \$100,219 but not to exceed 50% percent of the actual State Sales/Use Tax paid on eligible machinery and equipment costs, is approved for Parker Hannifin (Baldwin Filters). 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 _____.

SFC Global Supply Chain, Inc.

Motion to approve the Reinvestment Payment Program grant application to SFC Global Supply Chain, 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 up to 100% but not to exceed the amount of the actual State Sales/Use Tax paid on eligible project costs not to exceed \$750,000,000, is approved for SFC Global Supply Chain, 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, AUGUST 14, 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 July 10, 2024 and August 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

11:20 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.

Other Motions

Mitchell Area Development Corporation
SD Works Memo
Community Coordinated Transportation System
Reinvestment Payment Program
Parker Hannifin
SFC Global Supply Chain, Inc.

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
WEDNESDAY, JULY 10, 2024, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Matt Judson, Mike Luken, Tom Jones, Reed Kessler, Kevin Tetzlaff, David Emery, Craig Christianson, Brad Moore, Reynold Nesiba and Kameron Nelson

Staff Present

Ashley Moore, Jack Valentine, Stephanie Deyo, Lexxy Phillips, Nick Rabern, Nadine Agneau, Adam Molseed, Katherine Kirby, Ann Gesick-Johnson, Tanner Beukelman, Alissa Sendelbach, Dale Knapp and Curtis Egan

Other Staff Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

Others Present

Bob Mercer – Keloland News
Joshua Haiar – South Dakota Searchlight

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 Reed Kessler to approve the agenda as presented.

Motion passed by a voice vote.

Minutes

A motion was made by Brad Moore and seconded by Kevin Tetzlaff to approve the minutes of the meetings held June 12, 2024 and July 1, 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 Tom Jones to enter into Executive Session at 10:15 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 10:45 a.m. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss

contract matters, 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 Don Kettering to approve the Chairman's report from Executive Session.
Motion passed by a voice vote.

Old Business

EBC Holdings, LLC

A motion was made by Kevin Tetzlaff and seconded by Brad Moore to approve a 90-day commitment extension.
Motion passed by a voice vote.

Klez, LLC

A motion was made by Don Kettering and seconded by David Emery to approve the modification of loan terms as presented.
Motion passed by a voice vote.

New Business

JH Investments, LLC

A motion was made by Reed Kessler and seconded by David Emery to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from JH Investments, LLC in the amount of \$6,750,000. Secured by a shared first position on real estate, second position UCC on business assets, 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.

The Sweat Zone, LLC

A motion was made by Don Kettering and seconded by Brad Moore to approve a SD Works loan request from The Sweat Zone, LLC in the amount of \$106,172. Secured by a second lien position on the real estate, a UCC on business 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.

Reinvestment Payment Program

Masaba, Inc.

A motion was made by Kevin Tetzlaff and seconded by David Emery to approve the Reinvestment Payment Program grant application to Masaba, 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 \$315,000 but not to exceed 50% percent of State Sales/Use Tax paid on eligible project

costs, is approved for Masaba, 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 passed by a voice vote.

Adjourn

A motion was made by Craig Christianson and seconded by Kevin Tetzlaff 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, AUGUST 5, 2024, 11:00 A.M. CT

Members Present

Vice-Chairman Don Kettering, Reed Kessler and Craig Christianson

Staff Present

Deputy Commissioner Jesse Fonkert, Ashley Moore, Jack Valentine, Nick Rabern, Lexxy Phillips, Nadine Agneau, Joe Fiala, Adam Molseed, Katherine Kirby, Tanner Beukelman, Curtis Egan and Alissa Sendelbach

Others Present

Shawn Hofer – BankWest, Inc.

Call to Order

Vice-Chairman Kettering called the meeting to order at 11:02 a.m.

Agenda

A motion was made by Craig Christianson and seconded by Reed Kessler to approve the agenda as amended to remove Watertown Development Company.

Motion passed by a voice 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 Comments- none

Executive Session

A motion was made by Craig Christianson and seconded by Reed Kessler to enter into Executive Session at 11:04 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 Vice-Chairman declared the Credit Committee out of Executive Session at 11:32 a.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 Reed Kessler and seconded by Craig Christianson to approve the Vice-Chairman's report from executive session.

Motion passed by a voice vote.

Old Business

SD Works Memo

Credit Committee recommends to the board approving the transition as presented.

A motion was made by Craig Christianson and seconded by Reed Kessler.

Motion passed by a voice vote.

New Business

Community Coordinated Transportation Systems

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

A motion was made by Reed Kessler and seconded by Craig Christianson.

Motion passed by a voice vote.

Adjourn

A motion was made by Reed Kessler and seconded by Craig Christianson to adjourn the meeting at 11:34 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer