

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, SEPTEMBER 11, 2024, 10:00 A.M., CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, SEPTEMBER 11, 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 August 14, 2024, August 26, 2024 and September 3, 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 _____.

Grant Reviews

*Representative
Neal Pinnow*

Local Infrastructure Improvement Program (Turner County) and Reinvestment Payment Program (Marion Industrial, Royal Canin US, SFP, LLC and Wilson Trailer)

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

Motion made by _____ and seconded by _____.

Loan Review Summary

RTI, LLC

Motion to approve the loan review and recommendation as presented.

Motion made by _____ and seconded by _____.

Old Business

3M Center

Motion to approve changing the project owner from 3M Center to Solventum.

Motion made by _____ and seconded by _____.

New Business

Hebron Brick Supply Co.

Motion to approve a SD Works loan request from Hebron Brick Supply Co in the amount of \$1,242,400. Secured by a second position on the real estate and a second on all chattel 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 _____.

CCLLA, LLC

Motion to approve a SD Works loan request from CCLLA, LLC in the amount of \$400,000. Secured by a second position on real estate, personal guaranties 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 made by _____ and seconded by _____.

Morris, Inc.

Motion to approve a SD Works loan request from Morris, Inc. in the amount of \$600,000. Secured by a second position on finance assets and personal guaranties 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 made by _____ and seconded by _____.

SFC Global Supply Chain Inc.(1)

Motion to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from SFC Global Supply Chain Inc. in the amount of \$10,000,000. Secured by a sole first mortgage on real estate with REDI loan number two, a sole first lien position on any building materials

purchased for the purpose of construction on the Foundation Park site, a sole first lien position on FF&E, and a corporate guaranty. Also, to waive ARSD for a 10-year maturity, deviate from the base interest rate, and the take-out financing provision to allow this loan to close and fund as a part of the construction, acquisition, and installation financing.

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 _____.

SFC Global Supply Chain Inc.(2)

Motion to approve a waiver of a loan over \$1,000,000 and approve a REDI loan request from SFC Global Supply Chain Inc. in the amount of \$15,000,000. Secured by a sole first mortgage on real estate with REDI loan number one, a sole first lien position on any building materials purchased for the purpose of construction on the Foundation Park site, a sole first lien position on FF&E and a corporate guaranty. Also, to waive ARSD for a 10-year maturity, deviate from the base interest rate, and the take-out financing provision to allow this loan to close and fund as a part of the construction, acquisition, and installation financing.

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 _____.

Local Infrastructure Improvement Program

City of North Sioux City

Motion to approve a Local Infrastructure Improvement grant award to City of North Sioux City in the amount of \$300,000 but not to exceed 19% of the LIIP eligible project costs of \$1,607,729.21, 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 _____.

Bills

Motion to approve a bill payable to Moody's Analytics Solutions, LLC in the amount of \$17,043.

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, SEPTEMBER 11, 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 August 14, 2024, August 26, 2024 and September 3, 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

Grant Reviews
Loan Review Summary
3M Center
Hebron Brick Supply Co.
CCLLA, LLC
Morris, Inc.
SFC Global Supply Chain, Inc.
Local Infrastructure Improvement Program
City of North Sioux City

Bills

Moody's Analytics Solutions, LLC \$17,043

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, AUGUST 14, 2024, 10:00 A.M., CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Matt Judson, Sharon Casey, Mike Luken, Tom Jones, Reed Kessler, Joy Nelson, Kevin Tetzlaff, Reynold Nesiba and Kameron Nelson

Staff Present

Deputy Commissioner Jesse Fonkert, Ashley Moore, Jack Valentine, Stephanie Deyo, Lexxy Phillips, Nick Rabern, Nadine Agneau, Adam Molseed, Ann Gesick-Johnson, Tanner Beukelman and Joe Fiala

Other Staff Present

Shawn Hofer – BankWest, Inc.
Tim Engel – May, Adam, Gerdes & Thompson LLP

Others Present

Bob Mercer – Keloland News

Call to Order

Chairman Erickson called the meeting to order at 10:00 a.m.

Agenda

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

Motion passed by a voice vote.

Minutes

A motion was made by Joy Nelson and seconded by Reed Kessler to approve the minutes of the meetings held July 10, 2024 and August 5, 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. Jeff Erickson declared a potential conflict with Community Coordinated Transportation Systems as he is on the Board of Directors for American Bank and Trust and SFC Global Supply Chain, Inc. as he is on the board of directors for Schwan's Company would not partake in the discussion or vote on the project. Joy Nelson declared a potential conflict with Community Coordinated Transportation Systems as she is on the Board of Directors for American Bank and Trust and 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 Reed Kessler and seconded by Matt Judson to enter into Executive Session at 10:15 a.m. to consult with legal counsel, discuss contractual matters, and to discuss

commercial and financial information relating to loan and other assistance applicants. SDCL 1-16G-11, 1-25-2(3) and 19-19-502

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 consult with legal counsel, discuss contract matters, 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 Sharon Casey to approve the Chairman's report from Executive Session.

Motion passed by a voice vote.

Old Business

Mitchell Area Development Corporation

A motion was made by Joy Nelson and seconded by Don Kettering to approve extending the grant agreement expiration date to October 1, 2024.

Motion passed by a voice vote.

SD Works Memo

A motion was made by Matt Judson and seconded by Reed Kessler to approve the transition as presented.

Motion passed by a voice vote.

New Business

Community Coordinated Transportation Systems

A motion was made by Reed Kessler and seconded by Tom Jones 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 passed by a voice vote with Jeff Erickson and Joy Nelson abstaining.

Reinvestment Payment Program

Parker Hannifin

A motion was made by Don Kettering and seconded by Reed Kessler 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 passed by a voice vote.

SFC Global Supply Chain, Inc.

A motion was made by Mike Luken and seconded by Reed Kessler 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 passed by a voice vote with Jeff Erickson abstaining.

Adjourn

A motion was made by Sharon Casey and seconded by Reed Kessler to adjourn the meeting at 10:53 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer

GRANT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
MONDAY, AUGUST 26, 2024, 11:00 A.M. CT

Members Present

Chairman Don Kettering, Mike Luken and Tom Jones

Staff Present

Commissioner Joe Fiala, Deputy Commissioner Jesse Fonkert, Ashley Moore, Stephanie Deyo, Jack Valentine, Adam Molseed, Katherine Kirby and Curtis Egan

Others Present

Joshua Haiar – SD Searchlight

Call to Order

Chairman Kettering called the meeting to order at 11:01 a.m.

Agenda

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

Motion passed by a voice 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 Tom Jones and seconded by Mike Luken to enter into executive session at 11:03 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 Chairman declared the Grant Committee out of executive session at 11:15 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 was taken.

A motion was made by Mike Luken and seconded by Tom Jones to approve the chairman's report from executive session.

Motion passed by a voice vote.

Grant Reviews

Local Infrastructure Improvement Program (Turner County) and Reinvestment Payment Program (Marion Industrial, Royal Canin US, SFP, LLC and Wilson Trailer)

Grant Committee recommends to the Board approving the grant reviews and recommendations as presented.

A motion was made by Tom Jones and seconded by Mike Luken.
Motion passed by a voice vote.

New Business

Local Infrastructure Improvement Program

City of North Sioux City

Grant Committee recommends to the Board approving a Local Infrastructure Improvement grant award to City of North Sioux City in the amount of \$300,000 but not to exceed 19% of the LIIP eligible project costs of \$1,607,729.21, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

A motion was made by Mike Luken and seconded by Tom Jones

Motion passed by a voice vote.

Adjourn

A motion was made by Tom Jones and seconded by Mike Luken to adjourn the meeting at 11:19 a.m.

Motion passed by a voice vote.

Matt Judson, Treasurer

**CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, SEPTEMBER 3, 2024, 11:00 A.M. CT**

Members Present

Chairman Jeff Erickson, Don Kettering, Reed Kessler, Matt Judson and Craig Christianson

Staff Present

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

Others Present

Mike Bietz and Shawn Hofer – BankWest, Inc.

Call to Order

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

Agenda

A motion was made by Don Kettering and seconded by Matt Judson to approve the agenda 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. Jeff Erickson declared a potential conflict with SFC Global Supply Chain, Inc. as he is on the board of directors for Schwan's Company and 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 Don Kettering and seconded by Reed Kessler to enter into Executive Session at 11:03 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 Chairman declared the Credit Committee out of Executive Session at 12:10 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 Matt Judson and seconded by Don Kettering to approve the Chairman's report from executive session.

Motion passed by a voice vote.

Loan Review

RTI, LLC

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

A motion was made by Reed Kessler and seconded by Don Kettering.

Motion passed by a voice vote.

New Business

Hebron Brick Supply Co.

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

A motion was made by and seconded by

A motion was made by Craig Christianson and seconded by Matt Judson.

Motion passed by a voice vote.

Morris, Inc.

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

A motion was made by Reed Kessler and seconded by Matt Judson.

Motion passed by a voice vote.

CCLLA, LLC

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

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

Motion passed by a voice vote.

Novakara Hospitality, LLC

Credit Committee recommends to the board tabling as discussed.

A motion was made by Don Kettering and seconded by Craig Christianson.

Motion passed by a voice vote.

SFC Global Supply Chain, Inc. (1)

Credit Committee recommends to the board approving the REDI application with the terms and conditions as presented and discussed.

A motion was made by Matt Judson and seconded by Craig Christianson.

Motion passed by a voice vote with Jeff Erickson abstaining.

SFC Global Supply Chain, Inc. (2)

Credit Committee recommends to the board approving the REDI application with the terms and conditions as presented.

A motion was made by Reed Kessler and seconded by Don Kettering.

Motion passed by a voice vote with Jeff Erickson abstaining.

Adjourn

A motion was made by Matt Judson and seconded by Reed Kessler to adjourn the meeting at 12:17 p.m.

Motion passed by a voice vote.

Matt Judson, Treasurer

N

**Board of Economic Development
September 11, 2024**

BILLS REQUIRING APPROVAL FOR PAYMENT

Moody's Analytics Solutions, LLC

\$17,043.00