

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, SEPTEMBER 13, 2018, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, SEPTEMBER 13, 2018, 9:30 A.M. CT**

**Board
Members:**

Jeff Erickson

Dale Clement

*Sharon
Casey*

John Calvin

Mike Luken

Ted Husted

*Don
Kettering*

*Pat
Prostrullo*

Tom Jones

*Norbert
Sebade*

Reed Kessler

Pat Costello

Matt Judson

Non-Voting

*Spencer
Hawley*

Billie Sutton

Lee Qualm

Blake Curd

**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 August 14, 2018, August 29, 2018 and September 6, 2018, 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 _____.

Loan Review Summary

Aberdeen Development Corporation, Moffat Products, Inc. and R & R Holdings, LLC

Motion to approve the loan reviews and recommendations as presented.

Motion made by _____ and seconded by _____.

Please note times: Call To Order: _____ Executive Session _____ Regular Session _____ Adjournment _____

Grant Reviews

Economic Development Partnership Program (Greater Rapid City Area EDC, City of Wall, Brookings Economic Development Corporation, Belle Fourche Development Corporation and Mitchell Area Development Corporation) Local Infrastructure Improvement Program (City of Elk Point, City of Volga, Four Bands Community Fund and City of Box Elder), Reinvestment Payment Program (Agropur, Inc.) and South Dakota Jobs Program (VRC Metal Systems, LLC)

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

Motion made by _____ and seconded by _____.

Old Business

City of Elk Point, Four Bands Community Fund and Brown County

Motion to approve as recommend by staff and Grant Committee.

City of Elk Point

Approve a six-month extension of time to December 20, 2018.

Four Bands Community Fund

Approve a six-month extension of time to February 10, 2019.

Brown County

Approve a six-month extension of time to February 15, 2019.

Motion made by _____ and seconded by _____.

Prevailing Wind Park, LLC

Motion to approve an increase in the grant amount of \$6,193,646, not to exceed 65% of the actual state sales/use tax paid on the eligible project costs incurred during the project period as described.

Motion made by _____ and seconded by _____.

New Business

SSM, LLC

Motion to approve a loan request from SSM, LLC in the amount of \$370,500. Secured by a shared first collateral position on land and building, the personal guaranty of principals with 10% or more ownership and the corporate guarantor of B9Creations, LLC.

The loans are 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 _____.

Terex South Dakota, Inc.

Motion to approve a waiver of a loan over \$1,000,000 and approve the loan request from Terex South Dakota, Inc. in the amount of \$10,000,000. Secured by a shared first collateral position on equipment and the corporate guarantor of Terex Corporation.

The loans are 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 _____.

Weisser Falls Properties, LLC

Motion to approve a waiver of a loan over \$1,000,000 and approve the loan request from Weisser Falls Properties, LLC in the amount of \$1,241,000. Secured by a shared first collateral position on real estate, the personal guaranty of principals with 10% or more ownership and the corporate guarantor of Weisser Distributing, Inc.

The loans are 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

Bryant Area Improvement, Inc., City of Colman and City of Garretson

Motion to approve as recommended by staff and Grant Committee.

Bryant Area Improvement, Inc.

Approve a Local Infrastructure Improvement grant award to Bryant Area Improvement, Inc. in the amount of \$267,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Colman

Approve a Local Infrastructure Improvement grant award to the City of Colman in the amount of \$454,978, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Garretson

Approve a Local Infrastructure Improvement grant award to the City of Garretson in the amount of \$500,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion made by _____ and seconded by _____.

Reinvestment Payment Program

3M Aberdeen

Motion to approve the Reinvestment Payment Application of 3M Aberdeen 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 \$123,480 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for 3M Company-Aberdeen. 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 _____.

Terex South Dakota, Inc.

Motion to approve the Reinvestment Payment Application of Terex South Dakota, 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 \$2,483,445 but not to exceed 100% percent of State Sales/Use Tax paid on eligible project costs, is approved for Terex South Dakota, 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
Forest Products Distributors, Inc.

Motion to approve the South Dakota Jobs grant application Forest Products Distributors, Inc. 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 \$21,937, but not to exceed 75% of the State Sales and Use Tax paid on eligible equipment costs, is approved for Forest Products Distributors, Inc. 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
THURSDAY, SEPTEMBER 13, 2018, 9:30 A.M. CT**

**REGULAR SESSION
AGENDA**

9:30 A.M. Call To Order, Chairman Jeff Erickson

9:35 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, 2018, August 29, 2018 and September 6, 2018, as presented.

Conflicts of Interest Disclosures

Public Comments

9:40 A.M.

Commissioner's Comments

9:50 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.

10:40 A.M.

Report from Executive Session

RECOMMENDED ACTION: Approve Chairman's report from Executive Session.

Other Motions

Loan Review Summary

Grant Reviews

Grant Extensions

Prevailing Wind Park, LLC

SSM, LLC

Terex South Dakota, Inc.

Weisser Falls Properties, LLC

Economic Development Partnership Program Status Report

Local Infrastructure Improvement Program

Bryant Area Improvement, Inc.

City of Colman

City of Garretson

Reinvestment Payment Program

3M Aberdeen

Terex South Dakota, Inc.

South Dakota Jobs Program

Forest Products Distributors, 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.

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, AUGUST 14, 2018, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Sharon Casey, John Calvin, Mike Luken, Don Kettering, Pat Prostrollo, Tom Jones, Norbert Sebade, Reed Kessler, Matt Judson, Spencer Hawley and Billie Sutton

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, LaJena Gruis, Dale Knapp and Mary Lehecka Nelson

Other Staff Present

Mike Bietz - BankWest, Inc.

Others Present

Bob Mercer

Call to Order

Chairman Erickson called the meeting to order at 9:33 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Don Kettering and seconded by Mike Luken to approve the minutes of the meetings held July 10, 2018 and August 6, 2018, 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. Matt Judson declared a potential conflict on Intrinsic Materials Corp. due to banking relationships. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from board members and no objection to proceeding with the agenda.

Public Comment Period - none

BankWest, Inc. Servicing Contract

A motion was made by Dale Clement and seconded by Sharon Casey to approve the BankWest, Inc. Servicing Contract as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Matt Judson and seconded by John Calvin to enter into executive session at 9:50 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 10:26 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 Matt Judson and seconded by John Calvin to approve the Chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review Summary

Dak-Lan, LLC, SD Industries, Inc. and Weisser Properties, LLC

A motion was made by Don Kettering and seconded by Norbert Sebade to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

Old Business

Harvard Integrations, LP

A motion was made by Pat Prostrollo and seconded by Mike Luken to approve the requested increase to the loan amount as presented.

Motion passed by a roll call vote.

JMo Holdings, LLC

A motion was made by Sharon Casey and seconded by Pat Prostrollo to approve a commitment extension until September 12, 2019.

Motion passed by a roll call vote.

O'Connor Kiln & Dryer, Inc.

A motion was made by Pat Prostrollo and seconded by Mike Luken to approve a commitment extension until August 8, 2019.

Motion passed by a roll call vote.

PEDCO/South Dakota Pulse Processors

A motion was made by Norbert Sebade and seconded by Don Kettering to approve a financial waiver until September 30, 2018.

Motion passed by a roll call vote.

Sioux Falls Development Foundation

A motion was made by Pat Prostrollo and seconded by Sharon Casey to approve the collateral release as presented.

Motion passed by a roll call vote.

Sully County

A motion was made by Don Kettering and seconded by Pat Prostrollo to approve changing the project percentage to 22%.

Motion passed by a roll call vote.

New Business

Harvard Integrations, LP

A motion was made by Mike Luken and seconded by John Calvin to approve a waiver of a loan over \$1,000,000 and approve the loan request from Harvard Integrations, LP in the amount of \$1,438,000. Secured by a shared first collateral position on the real estate and a corporate guaranty of Harvard Development, Inc.

The loans are 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.

K&M Tire, Inc.

A motion was made by Sharon Casey and seconded by Reed Kessler to approve a loan request from K&M Tire, Inc. in the amount of \$786,300. Secured by a sole first position on the equipment additional collateral in the amount of \$250,000 and the guarantees of Kenneth Langhals Trust and Cheryl Gossard Irrevocable Trust.

The loans are 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.

South Dakota Jobs Program

MNY Group, LLC dba Life Floor

A motion was made by Pat Prostorllo and seconded by Don Kettering to approve the South Dakota Jobs grant application of MNY Group, LLC dba Life Floor 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 \$17,674, but not to exceed 25% of the State Sales and Use Tax paid on eligible equipment costs, is approved for MNY Group, 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.

Reinvestment Payment Program

Intrinsic Materials Corp.

A motion was made by Norbert Sebade and seconded by Mike Luken to approve the Reinvestment Payment Application of Intrinsic Materials Corp. 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 \$107,730 but not to exceed 75% percent of State Sales/Use Tax paid on eligible project costs, is approved for Intrinsic Materials Corp. 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 roll call vote with Matt Judson abstaining.

Adjourn

A motion was made by Matt Judson and seconded by Don Kettering to adjourn the meeting at 10:37 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or Matt Judson, Treasurer

GRANT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, AUGUST 29, 2018, 9:00 A.M. CT

Members Present

Chairman Don Kettering, Mike Luken, Ted Husted and Sharon Casey

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore and LaJena Gruis

Call to Order

Chairman Kettering called the meeting to order at 9:00 a.m.

Agenda

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

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Kettering opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from committee members and no objection to proceeding with the agenda.

Public Comments – none

Executive Session

A motion was made by Ted Husted and seconded by Sharon Casey to enter into executive session at 9:02 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 Grant Committee out of executive session at 9:38 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 taken.

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

Motion passed by a roll call vote.

Grant Reviews

Economic Development Partnership Program (Greater Rapid City Area EDC, City of Wall, Brookings Economic Development Corporation, Belle Fourche Development Corporation and Mitchell Area Development Corporation) Local Infrastructure Improvement Program (City of Elk Point, City of Volga, Four Bands Community Fund and City of Box Elder), Reinvestment Payment Program (Agropur, Inc.) and South Dakota Jobs Program (VRC Metal Systems, LLC)

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

A motion was made by Ted Husted and seconded by Mike Luken.

Motion passed by a roll call vote.

Old Business

City of Elk Point, Four Bands Community Fund and Brown County

Grant Committee recommends to the Board approving as recommend by staff.

City of Elk Point

Approve a six-month extension of time to December 20, 2018.

Four Bands Community Fund

Approve a six-month extension of time to February 10, 2019.

Brown County

Approve a six-month extension of time to February 15, 2019.

A motion was made by Mike Luken and seconded by Ted Husted.

Motion passed by a roll call vote.

New Business

Local Infrastructure Improvement Program

Bryant Area Improvement, Inc., City of Colman and City of Garretson

Grant Committee recommends to the Board approving as recommended by staff.

Bryant Area Improvement, Inc.

Approve a Local Infrastructure Improvement grant award to Bryant Area Improvement, Inc. in the amount of \$267,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Colman

Approve a Local Infrastructure Improvement grant award to the City of Colman in the amount of \$454,978, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

City of Garretson

Approve a Local Infrastructure Improvement grant award to the City of Garretson in the amount of \$500,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

A motion was made by Sharon Casey and seconded by Mike Luken.

Motion passed by a roll call vote.

Adjourn

A motion was made by Mike Luken and seconded by Ted Husted to adjourn the meeting at 9:43 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
THURSDAY, SEPTEMBER 6, 2018, 2:00 P.M. CT

Members Present

Chairman Jeff Erickson, Don Kettering, Pat Prostrollo, Norbert Sebade and Reed Kessler

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore and LaJena Gruis

Other Staff Present

Mike Bietz and Teresa Brandenburg- BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 2:01 p.m.

Agenda

A motion was made Pat Prostrollo 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. Pat Prostrollo declared a potential conflict with Terex South Dakota, Inc. due to business relations with Prostrollo All American Automall. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; 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 Reed Kessler and seconded by Don Kettering to enter into executive session at 2:03 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 2:43 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 Prostrollo and seconded by Don Kettering to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Reviews

Aberdeen Development Corporation, Moffatt Products, Inc. and R & R Holdings, LLC

Credit Committee recommends to the Board to accept the loan reviews and recommendations as presented.

A motion was made by Don Kettering and seconded by Reed Kessler.
Motion passed by a roll call vote.

At 2:46 p.m. Jeff Erickson left the call and Don Kettering acted as Chairman.

New Business

SSM, LLC

Credit Committee recommends to the Board approving the application as presented.
A motion was made by Pat Prostrollo and seconded by Reed Kessler.
Motion passed by a roll call vote.

At 2:48 p.m. Jeff Erickson return to the call, voted on SSM, LLC then resumed duties as Chairman.

Terex South Dakota, Inc.

Credit Committee recommends to the Board approving the application as presented.
A motion was made by Don Kettering and seconded by Reed Kessler.
Motion passed by a roll call vote with Pat Prostrollo abstaining.

Weisser Falls Properties, LLC

Credit Committee recommends to the Board approving the application as presented.
A motion was made by Reed Kessler and seconded by Pat Prostrollo.
Motion passed by a roll call vote.

Adjourn

A motion was made by Don Kettering and seconded by Pat Prostrollo to adjourn the meeting at 2:50 p.m.
Motion passed by a roll call vote.

Dale Clement, Secretary or Matt Judson, Treasurer