



SOUTH DAKOTA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

Building SD Funds
Administered by the Governor's Office of Economic Development

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A

Local Infrastructure Improvement Program

Purpose:

This program provides grants to assist in funding the construction or reconstruction of infrastructure for the purpose of serving economic development projects.

Who is Eligible:

Any political subdivision of this state, tribal government or local development corporation may apply to the Board of Economic Development for a Local Infrastructure Improvement Grant under this program.

How it Works:

Applicants work with the planning districts to submit a completed application to the board before they will be considered for funding. Except as otherwise directed by the board, the board will consider applications on a quarterly basis. Any application received by July 31st will be considered at the board's September meeting; any application received by October 31st will be considered by the board at its December meeting; any application received by January 31st will be considered by the board at the board's March meeting, and any application received by April 30th will be considered by the board at the board's June meeting.

If the board approves the application, the applicant must comply with the conditions of the approval to remain eligible for the grant. GOED will issue payment within 30 days of the applicant providing the documentation required by GOED to establish it has complied with the conditions of the grant.

FY2018 Accounting Breakout for Local Infrastructure Improvement Program

1st Quarter

Balance Forward from FY2017	\$	2,702,340.42	
One-time Contractor's Excise Tax		430,271.16	
FY2018 Administrative Expenses		(125,000.00)	
Available Balance 07/01/2017		3,007,611.58	\$

Applicant	Request	Board Approved
City of Box Elder	\$379,000.00	\$379,000.00
Yankton Area Progressive Growth	\$100,000.00	\$88,000.00
Totals	\$479,000.00	\$467,000.00

Remaining Balance \$2,540,611.58

2nd Quarter

Balance Forward	\$2,540,611.58	
Interest Investment Council (FY2018)	\$85,140.11	
Available Balance 09/31/2017	\$2,625,751.69	

Applicant	Request	Board Approved
City of Beresford	\$317,000.00	\$317,000.00
City of Mitchell	\$200,000.00	\$200,000.00
Totals	\$517,000.00	\$517,000.00

Remaining Balance \$2,108,751.69

3rd Quarter

Balance Forward	\$2,108,751.69	
Available Balance 12/31/2017	\$2,108,751.69	

Applicant	Request	Board Approved
City of North Sioux City	\$250,000.00	\$250,000.00
City of Aurora	\$50,000.00	\$50,000.00
Totals	\$300,000.00	\$300,000.00

Remaining Balance \$1,808,751.69

4th Quarter

Balance Forward	\$1,808,751.69	
Unused Grant Funds	\$55,789.61	
Available Balance 03/31/2018	\$1,864,541.30	

Applicant	Request	Board Approved
Grant County Economic Development	\$510,000.00	\$0.00
Edmunds County	\$375,000.00	\$375,000.00
White Rock Township	\$25,000.00	\$25,000.00
Totals	\$910,000.00	\$400,000.00

Remaining Balance \$1,464,541.30

Performance Measures/Budget Drivers for Local Infrastructure Improvement Program - FY2019

Applicant	Amount Requested	Dollars Awarded	Projected Jobs Created	(Budget Driver) Dollars Granted per	Communities Served/Population	Project Description
Bryant Area Improvement, Inc. (Diesel Service and Repair)	\$267,000.00	\$267,000.00	5	\$53,400.00	Bryant/446	Water/Sewer Improvements
City of Colman (Colman Building Center)	\$454,978.00	\$454,978.00	6	\$75,829.67	Colman/585	Water/Sewer Improvements
City of Garretson (Aspect Ag & Frontline Solutions)	\$500,000.00	\$500,000.00	13	\$38,461.54	Garretson/1,172	Water/Sewer Improvements
Edmunds County (Hendrix Genetics)	\$273,702.00	\$273,702.00	42	\$6,516.71	Ipswich/951	Road Improvements
Sioux Falls Development Foundation (U.S. Foods, Inc.)	\$65,612.00	\$65,612.00	35	\$1,874.63	Sioux Falls/176,888	Road Improvements
Turner County (Full Circle Dairy)	\$163,500.00	\$163,500.00	27	\$6,055.56	Turner County/8,315	Road Improvements
Turner County (Norway Pork Project)	\$243,386.00	\$243,386.00	27	\$9,014.30	Turner County/8,315	Road Improvements
Totals:	\$1,968,178.00	\$1,968,178.00	185	\$191,152.40	188,357	
Total Grants: 7						
Total Project Costs: \$34,137,395						

B

Economic Development Partnership Program

Purpose:

This program provides matching grants to assist in funding equipment and training needs, new staff, or to elevate existing part-time staff, for the purpose of developing or expanding local and community economic development programs. Economic Development Partnership Grants may also be used to commence or replenish local revolving loan funds for the purpose of developing or expanding housing, community development, and economic development programs.

Who is Eligible:

Any nonprofit development corporation, tribal government, municipality, county, or other political subdivision of this state may apply to the Board of Economic Development for an Economic Development Partnership Grant under this program.

Payment:

Any funds awarded under the economic development partnership fund shall be provided on a matching basis.

Staffing Awards:

- May be distributed over a four year period with forty percent being distributed in the first year, thirty percent in the second year, twenty percent in the third year, and ten percent in the fourth year.
- Over the four year period, the recipient shall match the total funds received from the economic development partnership fund.

Revolving Loan Fund Awards:

- The funds awarded to a recipient will be distributed in one disbursement.
- Recipients must provide proof of matching funds before the grant funds are disbursed.

How it Works:

Applicants work with the planning districts to submit a completed application to the board before they will be considered for funding. The board will consider applications on a quarterly basis. Any application received by July 31st will be considered at the board's September meeting; any application received by October 31st will be considered by the board at its December meeting; any application received by January 31st will be considered by the board at the board's March meeting, and any application received by April 30th will be considered by the board at the board's June meeting.

If the board approves the application, the applicant must comply with the conditions of the approval to remain eligible for the grant. GOED will issue payment within 30 days of the applicant providing the documentation required by GOED to establish it has complied with the conditions of the grant.

FY2019 Accounting Breakout for Economic Development Partnership Program

1st Quarter

FY2019 Beginning Balance	\$57,104.04	
1st Quarter Applications		
N/A		
Remaining Balance		\$57,104.04

2nd Quarter

Balance forward	\$ 57,104.04	
2nd Quarter Applications	Request	Board Approved
Wagner Area Growth	\$1,000.00	\$1,000.00
Totals	\$1,000.00	\$1,000.00
Remaining Balance		\$56,104.04

3rd Quarter

Balance forward	\$56,104.04	
3rd Quarter Applications	Request	Board Approved
Rural Electric Economic Development, Inc. (REED)	\$7,000.00	\$7,000.00
Totals	\$7,000.00	\$7,000.00
Remaining Balance		\$49,104.04

4th Quarter

Balance forward	\$49,104.04	
Unused Funds	\$79,880.33	
4th Quarter Applications	Request	Board Approved
North Sioux City - Training	\$625.00	\$625.00
Totals	\$625.00	\$625.00
Remaining Balance		\$128,359.37

Accounting Breakout for IEDC Basic Training January 2014-Present

Starting Balance \$ 25,000.00

Date	Applicant	Request
Jun-14	Lake Francis Case Development Corporation	\$ (796.98)
Jun-14	Bison Area Economic Development	(1,000.00)
Jun-14	Brookings Economic Development Corporation	(905.66)
Jun-14	Lake Area Improvement Corporation	(888.12)
Sep-14	Wagner Area Growth, Inc.	(900.90)
May-15	Worthing Economic Development Corporation	(393.48)
Mar-15	Aberdeen Development Corporation	(1,000.00)
Mar-15	City of Summerset	(775.80)
Mar-16	City of Wall	(693.19)
Mar-16	Viborg Economic Development Corporation	(675.72)
Mar-16	Centerville Development Corporation	(490.46)
Jun-16	Yankton Sioux Tribe	(791.42)
Jun-16	Campbell County	(975.40)
Mar-17	Faulkton Economic Development Corporation	(754.45)
Jun-17	Hartford Area Development Corporation	(952.64)
Jun-17	Brookings Economic Development Corporation	(724.96)
Jun-17	Brookings Economic Development Corporation	(693.57)
Jun-18	North Sioux City EDC	(265.74)
Jun-18	Freeman Community Development Corporation	(906.70)
Jun-18	Webster Area Development Corporation	(720.70)
Nov-18	Aberdeen Development Corporation	(1,000.00)
Nov-18	Sturgis Economic Development Corporation	(1,000.00)
Nov-18	Wall Economic Development Corporation	(1,000.00)
Nov-18	Grow Spink, Inc.	(1,000.00)
Dec-18	Wagner Area Growth, Inc.	(1,000.00)
	Available Balance	<u>\$ 4,694.11</u>
	New Requests:	
	Total	<u>0.00</u>
	Remaining Balance	<u><u>\$ 4,694.11</u></u>

Performance Measures/Budget Drivers for Economic Development Partnership Program - FY2019

Applicant	Amount Requested	Dollars Awarded	Applicant Contribution (Budget Driver)	Total Dollars Awarded / Applicant Contributions	Communities Served/Population	Project Description
Wagner Area Growth	\$1,000.00	\$1,000.00	\$1,000.00	\$2,000.00	Wagner/1,587	Economic Development Training
Aberdeen Development Corporation	\$1,000.00	\$1,000.00	\$1,000.00	\$2,000.00	Aberdeen/28,388	IEDC Basic Training
Sturgis Economic Development Corporation	\$1,000.00	\$1,000.00	\$1,000.00	\$2,000.00	Sturgis/6,908	IEDC Basic Training
Wall Economic Development	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	Wall/872	IEDC Basic Training
Grow Spink, Inc.	\$1,000.00	\$1,000.00	\$1,000.00	\$2,000.00	Redfield/2,295	IEDC Basic Training
Rural Electric Economic Development, Inc. (REED)	\$7,000.00	\$7,000.00	\$8,000.00	\$15,000.00	Statewide-68 attendees	Economic Development Training
North Sioux City Economic Development Corporation	\$625.00	\$625.00	\$625.00	\$1,250.00	North Sioux City/2,371	Economic Development Training
Totals:	\$12,625.00	\$12,625.00	\$13,625.00	\$25,250.00	42,489	
Total Grants: 7						

C

Reinvestment Payment Program

Purpose:

This program is available to assist companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment in South Dakota. The program allows for project owners to receive a reinvestment payment, not to exceed the South Dakota sales and use tax paid on project costs, for new or expanded facilities with project costs in excess of \$20,000,000, or for equipment upgrades with project costs in excess of \$2,000,000.

Who is Eligible:

Companies pursuing new or expanded facilities with a total project costs in excess of \$20,000,000 or equipment upgrades with a total project cost in excess of \$2,000,000 are eligible to apply to the Board of Economic Development for a reinvestment payment under this program. One of the key criteria considered by the board when approving or denying an application is the likelihood the project would have occurred without the reinvestment payment. Reinvestment payments are intended for projects that would not have occurred without the payment.

Eligible projects include:

- Laboratory and testing facilities;
- Manufacturing facilities;
- Advanced telecommunications capability;
- Data centers;
- Power generation facilities;
- Power transmission facilities;
- Agricultural processing facilities;
- Wind energy facilities; and
- Facilities defined by GOED as targeted industries.

The following projects are not eligible for a reinvestment payment:

- Buildings or structures used predominantly for the sale of products at retail, other than the sale of electricity at retail, to individual consumers;
- Buildings or structures used predominantly for residential housing or transient lodging;
- Buildings or structures used predominantly to provide health care services;
- Buildings or structures used predominantly for the transportation or transmission of natural gas, oil, or crude oil by means of a pipeline; or
- Buildings or structures that are not subject ad valorem real property taxation or equivalent taxes measured by gross receipts.

How it Works:

The project owner applies to the Board of Economic Development for a reinvestment payment no later than 90 days after starting construction. If the board approves the application, the project owner must comply with the conditions of the approval, to include the payment of all taxes it owes on the project before it receives the payment. At the conclusion of the project the project owner files an Affidavit for Reinvestment Payment with GOED, and if all of the conditions of the reinvestment payment have been met, GOED issues the reinvestment payment to the project owner. The following steps outline the process in more detail:

1. Timely file an application with GOED within 90 days of start of construction.
2. After GOED has received the completed application, the applicant may make a written request to GOED for the board to take action to approve or deny its application for reinvestment payment.
3. Within 90 days of board approval of the application, the applicant shall accept the approval in writing.
4. Within 30 days after written acceptance is received, GOED shall issue a permit entitling the applicant to submit an affidavit for reinvestment payment.
5. Construction on the project begins. The applicant is required to notify GOED within 30 days from the date of construction.
6. Applicant files quarterly progress reports as required by GOED.
7. Applicant submits the affidavit for reinvestment payment with GOED, along with any required conditions of the approval, within six months of completion of project.
8. The payment will be remitted within 90 days of receipt of the affidavit and required information.

FY2019 Accounting Breakout for Reinvestment Payment Program

Applicant	Request	Board Approved	Percentage of Tax
Applied Engineering, Inc.	\$141,832.00	\$141,832.00	100.00%
Crocker Wind Farm, LLC	\$7,875,000.00	\$7,875,000.00	75.00%
Graco Minnesota	\$337,500.00	\$337,500.00	50.00%
Intrinsic Materials Corp.	\$107,730.00	\$107,730.00	75.00%
3M Company - Aberdeen	\$123,480.00	\$123,480.00	100.00%
Terex South Dakota, Inc.	\$3,100,000.00	\$2,483,445.00	100.00%
Philip Wind Partners, LLC	\$6,000,000.00	\$6,000,000.00	65.00%
Coyote Ridge Wind LLC	\$3,703,613.00	\$3,703,613.00	70.00%
Deuel Harvest Wind Energy LLC	\$9,236,588.00	\$9,236,588.00	70.00%
Ethanol Products, LLC	\$45,000.00	\$45,000.00	100.00%
Fall River Solar	\$1,058,564.00	\$1,058,564.00	70.00%
US Foods, Inc.	\$67,500.00	\$67,500.00	100.00%
Ag Processing, Inc a cooperative	\$306,000.00	\$306,000.00	50.00%
	\$32,102,807.00	\$31,486,252.00	

Performance Measures/Budget Drivers for Reinvestment Payment Program - FY2019

Applicant	Amount Requested	Dollars Awarded	Projected FTE's Created/Retained	(Budget Driver) Dollars Awarded per FTE	Communities Served/Population	Project Description
3M Aberdeen	\$123,480	\$123,480	7	\$17,640	Aberdeen/28,388	Equipment purchase
Applied Engineering, Inc.	\$141,832.00	\$141,832.00	3	\$47,277	Yankton/14,516	Building expansion and new equipment
Ag Processing, Inc.	\$306,000	\$306,000	10	\$30,600	Aberdeen/28,388	Flat storage building
Coyote Ridge Wind, LLC	\$4,252,260	\$3,703,613	8	\$462,952	White/487	Wind Farm
Crocker Wind Farm, LLC	\$7,875,000	\$7,875,000	12	\$656,250	Clark County/3,668	Wind Farm
Deuel Harvest Wind Energy, LLC	\$16,000,000	\$9,236,588	15	\$615,773	Deuel County/4,281	Wind Farm
Ethanol Products, LLC	\$45,000	\$45,000	3	\$15,000	Hudson/324	Equipment purchase
Fall River Solar	\$2,565,355	\$1,058,564	6	\$176,427	Fall River County/6,687	Solar Plant
Graco Minnesota, Inc.	\$337,500	\$337,500	40	\$8,438	Sioux Falls/176,888	Equipment purchase
Intrinsic Materials Corp.	\$107,730.00	\$107,730.00	60	\$1,796	Rapid City/74,421	Equipment purchase
Phillip Wind Partners, LLC	\$6,000,000.00	\$6,000,000.00	9	\$666,667	Haakon County/1,943	Wind Farm
Terex South Dakota, Inc.	\$3,100,000.00	\$2,483,445.00	787	\$3,156	Watertown/22,222	Construction of manufacturing facility and
US Foods, Inc.	\$88,000.00	\$67,500.00	35	\$1,929	Sioux Falls/176,888	Building expansion and new equipment
Totals:	\$40,942,157	\$31,486,252	995	\$31,644	333,825	

Total Grants: 13

Total Project Costs:

\$1,348,424,754

D

South Dakota Jobs Grant Program

Purpose:

This program is available to assist companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment in South Dakota. The program allows for project owners to receive a South Dakota Jobs Grant for new or expanded facilities with project costs less than \$20,000,000, or for equipment upgrades with project costs less than \$2,000,000.

Who is Eligible:

Companies pursuing new or expanded facilities with a total project cost of less than \$20,000,000 or equipment upgrades with a total project cost of less than \$2,000,000 are eligible to apply to the Board of Economic Development for a South Dakota Jobs Grant under this program. One of the key criteria considered by the board when approving or denying an application is the likelihood the project would have occurred without the South Dakota Jobs Grant. South Dakota Jobs Grants are intended for projects that would not have occurred without the grant. The following projects are not eligible for a South Dakota Jobs Grant:

Eligible projects include:

- Laboratory and testing facilities;
- Manufacturing facilities;
- Advanced telecommunications capability;
- Data centers;
- Power generation facilities;
- Power transmission facilities;
- Agricultural processing facilities;
- Wind energy facilities; and
- Facilities defined by GOED as targeted industries.

The following projects are not eligible for a reinvestment payment:

- Buildings or structures used predominantly for the sale of products at retail, other than the sale of electricity at retail, to individual consumers;
- Buildings or structures used predominantly for residential housing or transient lodging;
- Buildings or structures used predominantly to provide health care services;
- Buildings or structures used predominantly for the transportation or transmission of natural gas, oil, or crude oil by means of a pipeline; or
- Buildings or structures that are not subject ad valorem real property taxation or equivalent taxes measured by gross receipts.

How it Works:

The project owner applies to the Board of Economic Development for a South Dakota Jobs Grant no later than 90 days after starting construction. If the board approves the application, the project owner must comply with the conditions of the approval, to include the payment of all taxes it owes on the project before it receives the grant. At the conclusion of the project the project owner files an Affidavit for South Dakota Jobs Grant with GOED, and if all of the conditions of the grant have been met, GOED issues the grant to the project owner. The following steps outline the process in more detail:

1. Timely file an application with GOED within 90 days of start of construction.
2. After GOED has received the completed application, the applicant may make a written request to GOED for the board to take action to approve or deny its application.
3. Within 90 days of board approval of the application, the applicant shall accept the approval in writing.
4. Within 30 days after written acceptance is received, GOED shall issue a permit entitling the applicant to submit an Affidavit for South Dakota Jobs Grant.
5. Construction on the project begins. The applicant is required to notify GOED within 30 days from the date of construction.
6. Applicant files quarterly progress reports as required by GOED.
7. Applicant submits the Affidavit for South Dakota Jobs Grant with GOED, along with any required conditions of the approval, within six months of completion of project.
8. The payment will be remitted within 90 days of receipt of the affidavit and required information.

FY2019 Accounting Breakout for South Dakota Jobs Program

Balance Forward from FY2018 \$ 1,723,274.27

Applicant	Request	Board Approved	Percentage of Tax
Masaba, Inc.	\$ 24,000.00	\$ 24,000.00	100%
Life Floor/MNY Group LLC	\$ 17,674.00	\$ 17,674.00	25%
Forest Products Distributors, Inc.	\$ 21,937.00	\$ 21,937.00	75%
Benaiah Management Company, Inc.	\$ 100,000.00	\$ 100,000.00	50%
Totals	<u>\$163,611.00</u>	<u>\$163,611.00</u>	
Remaining Balance		<u>\$ 1,559,663.27</u>	

Performance Measures/Budget Drivers for South Dakota Jobs Grant Program - FY2019

Applicant	Amount Requested	Dollars Awarded	Projected FTE's Created	(Budget Driver) Dollars Granted per FTE	Communities Served/Population	Project Description
Masaba, Inc.	\$24,000	\$24,000	25	\$960.00	Vermillion/10,772	Equipment Purchase
MNY Group, LLC	\$17,674	\$17,674	12	\$1,472.83	Madison/7,322	Equipment Purchase
Forest Products Distributors, Inc.	\$21,937	\$21,937	10	\$2,193.70	Rapid City/74,048	Equipment Upgrades
Benaiah Management Co. Inc.	\$100,000	\$100,000	27	\$3,703.70	Sioux Falls/176,888	Equipment Purchases
Totals:	\$163,611	\$163,611	74	\$8,330.24	269,030	
Total Grants: 4						
Total Project Costs: \$7,319,734.30						