

REDI FUND FACT SHEET

Revolving Economic Development and Initiative Fund

MISSION

- Create Long-Lasting, Stable, Quality Jobs for South Dakotans
- Increase Capital Investment into South Dakota
- Diversify the South Dakota Economy

BACKGROUND

- The REDI Fund began in 1987 with \$40 million.
- Money was generated from a one-time sales tax.
- The REDI Fund is a "non-replenishing fund"
- Interest earned or special allocations are the only means of growing the fund.
- If money is removed, it will reduce assistance to companies.

SUCCESS

- 146 REDI Fund Loans (2003-2014)
- More than 121 Companies benefited from the REDI Fund (2003-2014)
- Companies utilizing the REDI program have created (or are projected to create) more than 32,000 jobs.
- Between 2003 and 2014 approximately \$138.8 million REDI Fund was used to leverage nearly \$759 million in capital investments in South Dakota.
- Since the inception of the REDI Fund, over \$252 million of loans have been approved.

REDI FUND PORTFOLIO

TOTAL ASSETS • \$108.2 MILLION
As of 12.31.2014

AVAILABLE CASH

REMAINING BALANCE
• \$50.3

COMMITTED LOANS
• \$7.5

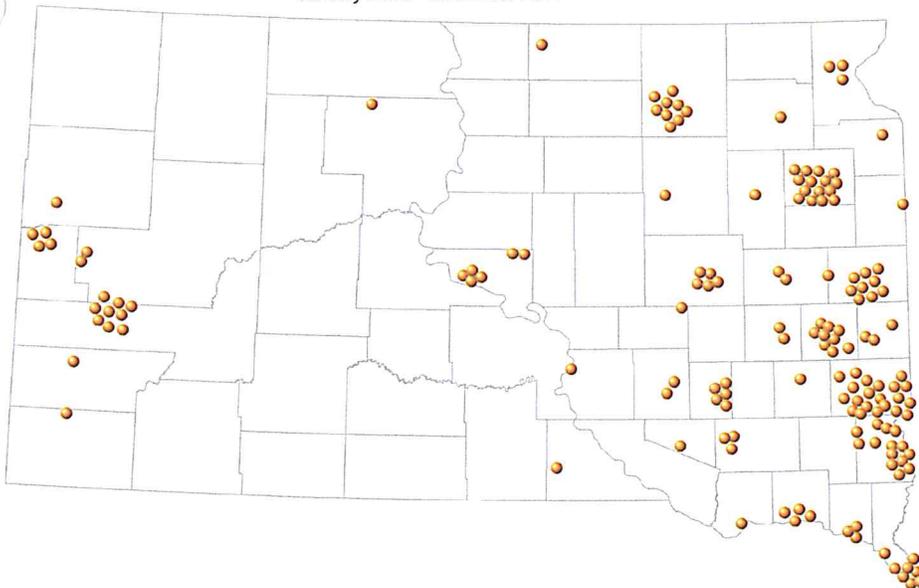
APPROVED LOANS
• \$14.5

OUTSTANDING LOANS
• \$36.2
INTEREST RECEIVABLE
INVESTMENT INCOME
RECEIVABLE

IN MILLIONS

REDI FUND ALLOCATIONS

January 2003 - December 2014

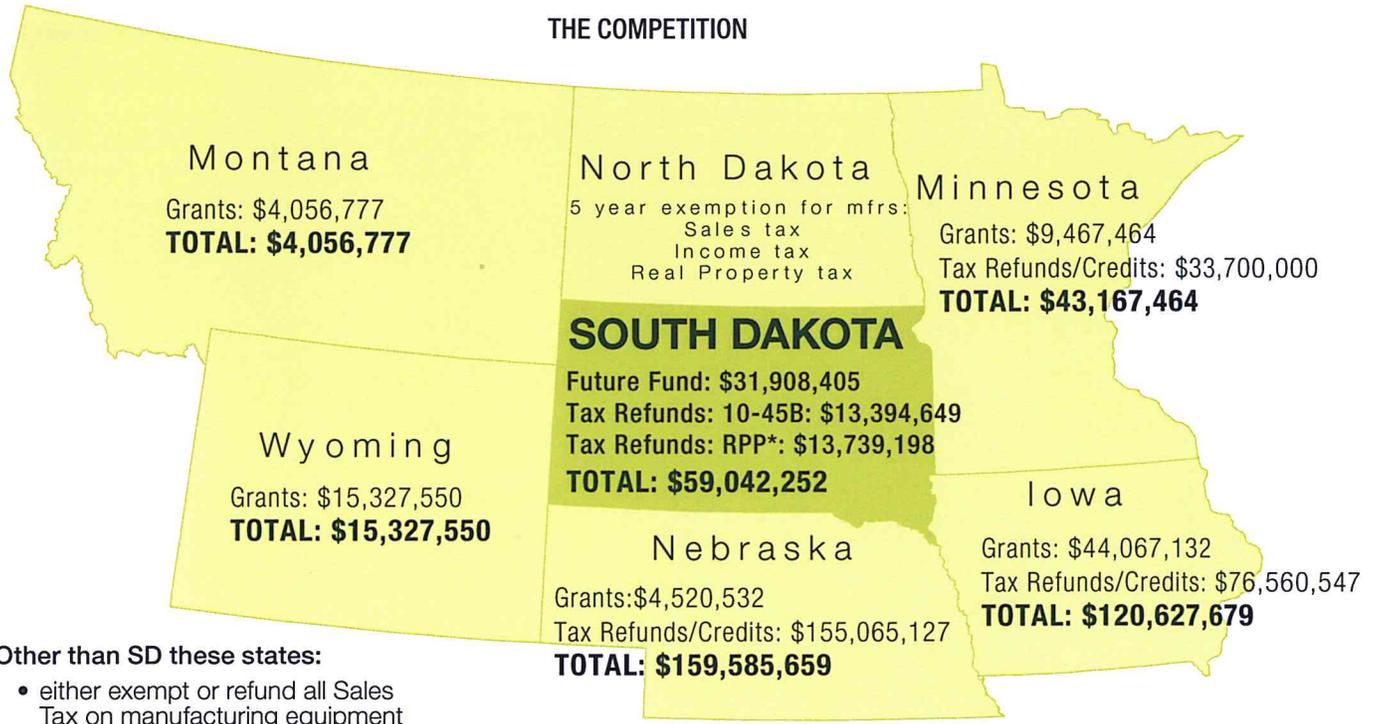


PROGRAM SUMMARY

- Governed by the Board of Economic Development
- Provide up to 45% of a project's total cost; company secures matching funds
- Minimum of 10% equity contribution
- Eligible costs include land, building, equipment
- Non-eligible costs include refinancing debt, inventory, working capital
- Terms—2% interest, amortized up to 20 years on land and building/10 years equipment, balloon payment after five years

FUTURE FUND, RPP & 10-45B FACT SHEET

THE COMPETITION



Other than SD these states:

- either exempt or refund all Sales Tax on manufacturing equipment
- exempt energy used in manufacturing from Sales Tax
- do not have a Contractor's Excise Tax

* Reinvestment Payment Program

All tax credits and refunds referenced above refer exclusively to sales and or income tax.

PURPOSE

Following the recession of the early 1980s, the Future Fund was developed to invest in South Dakota's workforce and build its economy.

The Future Fund helps to support the training of employees in gaining new skill sets and increasing their earnings, business recruitment, and research and entrepreneurial activities.

The Future Fund also supports:

- Small Business Development Center (SBDC)
- Regional Councils of Govts/ Planning Districts
- Manufacturing Assistance (MEP)
- University Research
- SD Tech Schools
- Giant Vision Awards

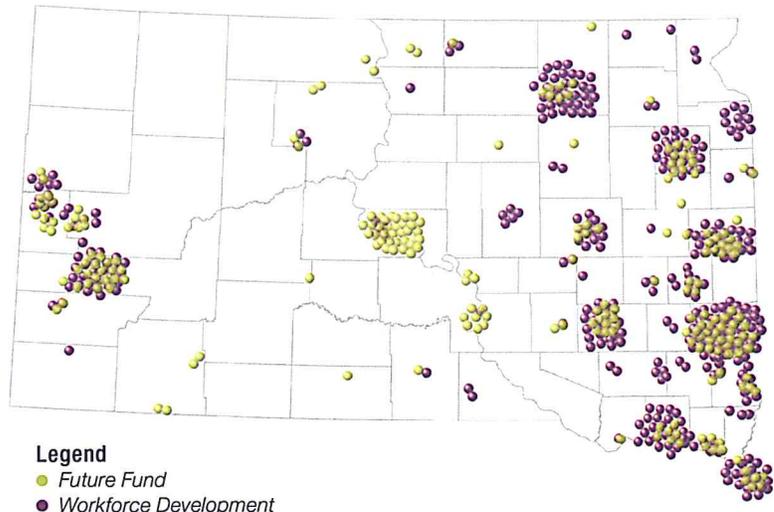
ALLOCATION

In SD, the Future Fund is one of the major incentive programs available.

- Between 2003 and 2014, FF helped support 222 business development efforts.
- Between 2003 and 2014, FF helped support the training of 23,508 employees for 315 companies.

FUTURE FUND & WORKFORCE DEVELOPMENT

January 2003 - December 2014



Legend

- Future Fund
- Workforce Development

GOED BUILDING SOUTH DAKOTA FUNDS

BACKGROUND

2013 South Dakota Legislature created a comprehensive economic development package.

Three new incentive programs are administered under the Governor's Office of Economic Development to spur growth in SD:

- Economic Development Partnership Program (EDPP)
Grants for local EDC staffing and local Revolving Loan Fund capitalization

- Local Infrastructure Improvement Program (LIIP)
Grants for local infrastructure projects supporting economic development needs
- SD Jobs Grant Program (SD Jobs)
Grants for real property and equipment needs in smaller economic development projects

ECONOMIC DEVELOPMENT PARTNERSHIP FUND (EDP)

FY2014 FUNDING - \$1,050,000
 FY2014 AWARDS - \$986,809
 FY2015 FUNDING - \$1,500,000
 FY2015 AWARDS - \$1,233,217
 12-31-14 BALANCE - \$329,974

LOCAL INFRASTRUCTURE IMPROVEMENT PROGRAM (LIIP)

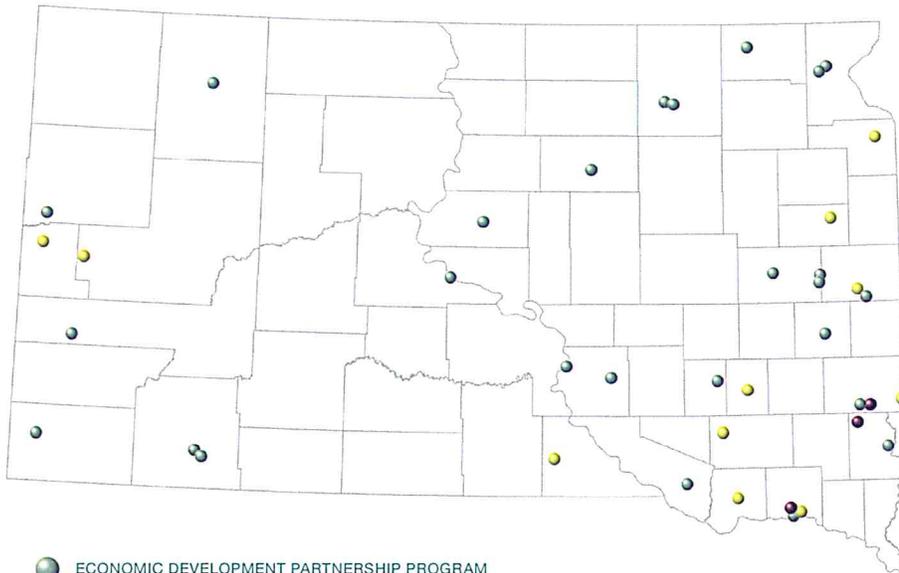
FY2014 FUNDING - \$1,750,000
 FY2014 AWARDS - \$1,387,657
 FY2015 FUNDING - \$2,500,000
 FY2015 AWARDS - \$620,000
 12-31-14 BALANCE - \$2,242,343

SOUTH DAKOTA JOBS (SD JOBS)

FY2014 FUNDING - \$350,000
 FY2014 AWARDS - \$32,000
 FY2015 FUNDING - \$500,000
 FY2015 AWARDS - \$24,280
 12-31-14 BALANCE - \$793,720

BUILDING SOUTH DAKOTA ALLOCATIONS

FY 2014 & FY 2015



- ECONOMIC DEVELOPMENT PARTNERSHIP PROGRAM
- LOCAL INFRASTRUCTURE IMPROVEMENT PROGRAM
- SOUTH DAKOTA JOBS PROGRAM

Prospects, Company Visits, Hostings & Locations

As of 12-31-14 '13 YTD '14 YTD '14 Goal

As of 12-31-14	'13 YTD	'14 YTD	'14 Goal
New Prospects	325	435	360
RFIs	16	25	NA
Bottom Lines	2	3	NA
Hostings	55	46	61
Proposals	80	97	99
Locations	39	41	69
Company Visits	406	422	455
Community Contacts	337	413	NA

New Prospects..... New company leads began working this month
 RFIs..... Formal Requests for Information from prospects
 Bottom Lines..... Detailed business cost comparisons
 Hostings..... Visiting various SD cities with prospects
 Proposals..... Formal incentive offerings by state
 Locations Company commits to expanding in or to SD
 Company Visits..... GOED rep visits in-state company for Retention & Expansion
 Community Contacts..... GOED rep contact via phone, mail or e-mail with community rep