



SOUTH DAKOTA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

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

Table of Contents

- A. Local Infrastructure Improvement Program
- B. Economic Development Partnership Program
- C. Reinvestment Payment Program
- D. South Dakota Jobs Grants Program

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.

FY2023 Accounting Breakout for Local Infrastructure Improvement Program

Unobligated Balance Forward from FY2022	\$ 1,965,558.16
FY2023 General Appropriation	1,470,000.00
FY2023 Technical Assistance	<u>(150,000.00)</u>
Available Balance 07/01/2022	<u>\$ 3,285,558.16</u>

1st Quarter

Applicant	Request	Grant Committee Recommendation	Board Approved	Percentage of Request
City of Britton LIIP 22-02	\$102,720.00	\$102,720.00	\$102,720.00	100%
Totals			<u>\$102,720.00</u>	

Q1 Activities

Interest Investment Council (FY2023)		\$57,095.88		
		<u>\$57,095.88</u>		
Remaining Balance			<u>\$3,239,934.04</u>	

2nd Quarter

Balance Forward from 1st Quarter		\$3,239,934.04		
Available Balance as of 10/01/2022			<u>\$3,239,934.04</u>	

Applicant	Request	Grant Committee Recommendation	Board Approved	Percentage of Request
Mitchell Area DC LIIP 22-03	\$362,500.00	\$362,500.00	\$362,500.00	100%
Totals			<u>\$362,500.00</u>	

Q2 Activities

City of Volga - Returned funds LIIP 20-04		\$134,308.23		
		<u>\$134,308.23</u>		
Remaining Balance			<u>\$3,011,742.27</u>	

3rd Quarter

Balance Forward from 2nd Quarter		\$3,011,742.27		
Available Balance as of 01/01/2023			<u>\$3,011,742.27</u>	

Applicant	Request	Grant Committee Recommendation	Board Approved	Percentage of Request
No applications received				
Totals	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	

Q3 Activities

City of Britton - returned funds LIIP 22-02		\$5,114.10		
Belle Fource Dev Corp - returned funds LIIP 20-03		<u>\$12,300.47</u>		
		\$17,414.57		
Remaining Balance			<u>\$3,029,156.84</u>	

4th Quarter

Balance Forward from 3rd Quarter		\$3,029,156.84		
Available Balance as of 04/01/2023			<u>\$3,029,156.84</u>	

Applicant	Request	Grant Committee Recommendation	Board Approved	Percentage of Request
Totals	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	

Q4 Activities

SF Dev Found - returned funds LIIP 21-04		\$46,162.48		
		<u>\$46,162.48</u>		
Unobligated Balance 6/30/2023			<u>\$3,075,319.32</u>	

Performance Measures/Budget Drivers for Local Infrastructure Improvement Program - FY2023

Applicant	Amount Requested	Dollars Awarded	Projected Jobs Created/Retained	(Budget Driver) Dollars Granted per FTE	Communities Served/Population	Project Description
City of Britton	\$102,720.00	\$102,720.00	188	\$546.38	Britton, 1,213	Infrastructure related to Horton expansion
Mitchell Area Development Corporation	\$362,500.00	\$362,500.00	31	\$11,693.55	Mitchell, 15,631	Infrastructure related to Echo expansion
				N/A		
				N/A		
Totals:	\$465,220.00	\$465,220.00	219	\$2,124.29	16,844	
Total Grants: 2						
Total Project Costs: \$933,440						

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.

FY2023 Accounting Breakout for Economic Dev Partnership Program

1st Quarter

FY2023 Beginning Balance	\$40,725.83	
Investment Council Interest	\$2,536.62	
Returned funds	\$ -	
		<hr/>
		\$43,262.45

1st Quarter Applications

	Requested	Approved
Canton EDC (Training)	\$825.46	\$825.46

Total

 \$825.46

2nd Quarter Applications

	Requested	Approved
Sioux Metro Growth Alliance (Training)	\$509.40	\$509.40

Total

 \$509.40

3rd Quarter Applications

	Requested	Approved
Hartford Area Development Foundation	\$1,000.00	\$1,000.00

Total

 \$1,000.00

4th Quarter Applications

	Requested	Approved
No applications received		

Total

 \$0.00

Remaining Balance

 \$40,927.59

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	Faulton 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)
Jun-19	North Sioux City EDC	(625.00)
Jan-20	Harrisburg EDC	(1,000.00)
Feb-20	Kimball EDC	(1,000.00)
Feb-20	Wessington Springs Area Chamber of Commerce	(1,000.00)
Jan-21	Returned funds (Harrisburg EDC, Kimball EDC, Wessington Springs)	3,000.00
Jan-21	Returned funds - Beadle & Spink Enterprise	275.00
Mar-21	North Sioux City EDC	(1,000.00)
Jun-21	Wall Economic Development Corporation	(470.00)
Aug-21	Adjustment EDC Training	(68.61)
Nov-21	Returned Funds - North Sioux City EDC	133.82
Nov-22	Canton EDC	(825.46)
Oct-22	Sioux Metro Growth Alliance	\$ (509.40)
Oct-22	Hartford Area Development Foundation	(1,000.00)
	Available Balance	\$ 604.46
	New Requests:	
	Total	0.00
	Remaining Balance	\$ 604.46

Performance Measures/Budget Drivers for Economic Development Partnership Program - FY2023

Applicant	Amount Requested	Dollars Awarded	Applicant Contribution (Budget Driver)	Total Dollars Awarded / Applicant Contributions	Communities Served/Population	Project Description
Canton EDC	\$825.46	\$825.46	\$825.46	\$825.46	Canton / 3054	IEDC Training
Sioux Metro Growth Alliance	\$509.40	\$509.40	\$509.40	\$509.40	Sioux Falls Metro / 196,528	IEDC Training
Hartford Area Development Foundation	\$1,000.00	\$1,000.00	\$1,034.71	\$1,000.00	Hartford / 3376	IEDC Training
Totals:	\$2,334.86	\$2,334.86	\$2,369.57	\$2,334.86	202,958	
Total Grants: 3						

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.

FY2023 Accounting Breakout for Reinvestment Payment Program

Applicant	Request	Staff Recommendation	Board Approved	Percentage of Tax
Bluestem Family Farms, LLC	\$517,517.00	\$517,517.00	\$517,517.00	100%
Brookings Biogas	\$3,421,643.00	\$1,710,821.63	\$1,710,821.63	50%
Dakota Renewable Hydrogen	\$3,351,400.00	\$3,351,400.00	\$3,351,400.00	65%
Driftwood Dairy	\$265,136.00	\$265,136.00	\$265,136.00	100%
Gevo Net-Zero LLC	\$12,294,059.00	\$12,294,059.00	\$12,294,059.00	65%
Kingston, LLC	\$1,213,758.00	\$1,213,758.00	\$1,213,758.00	100%
Kinsburg Co. Wind Field	\$2,044,500.00	\$2,044,500.00	\$2,044,500.00	50%
Lakeside Biogas	\$2,295,870.00	\$1,160,085.14	\$1,160,085.14	50%
Manitou Equipment	\$1,085,630.00	\$1,085,630.00	\$1,085,630.00	50%
Norway Pork	\$751,241.00	\$751,241.00	\$751,241.00	100%
Phase Tech	\$54,000.00	\$54,000.00	\$54,000.00	50%
Redstone Dairy	\$4,400,000.00	\$4,400,000.00	\$4,400,000.00	100%
SFP LLC - Century Swine	\$612,900.00	\$612,900.00	\$612,900.00	100%
Wilson Trailer Company	\$104,000.00	\$104,000.00	\$104,000.00	50%
	<u>\$32,411,654.00</u>	<u>\$29,565,047.77</u>	<u>\$29,565,047.77</u>	

Performance Measures/Budget Drivers for Reinvestment Payment Program - FY2023

Applicant	Amount Requested	Dollars Awarded	Projected FTE's Created/Retained	(Budget Driver) Dollars Awarded per FTE	Communities Served/Population	Project Description
Bluestem Family Farms	\$517,517	\$517,517	24	\$21,563	Davison County/19,878	New Swine Facility
Brookings Biogas	\$3,421,643	\$1,710,822	7	\$244,403	Brookings & Deuel Counties/38,911	Anaerobic Digesting
Dakota Renewable Hydrogen	\$3,351,400	\$3,351,400	10	\$335,140	Lake Preston/585	Energy Production
Driftwood Dairy	\$265,136.00	\$265,136.00	33	\$8,034	Minnehaha County/199,685	Dairy Business Expansion
Gevo Net-Zero LLC	\$12,294,059	\$12,294,059	92	\$133,631	Lake Preston/585	Renewable Fuel
Kingsbury Co. Wind Fuel	\$2,044,500	\$2,044,500	4	\$511,125	Lake Preston/585	New Wind Energy
Kingston LLC	\$1,213,758	\$1,213,758	34	\$35,699	Kingsbury County/5,192	New Swine Facility
Lakeside Biogas	\$2,295,870.00	\$1,160,085.14	7	\$165,726	Grant County/7,519	Anaerobic Digesting
Manitou Equipment	\$1,085,630	\$1,085,630	400	\$2,714	Madison & Yankton/21,524	Business Expansion
Phase Technologies	\$54,000.00	\$54,000.00	114	\$474	Rapid City/76,184	Business Expansion
Norway Pork	\$751,241	\$751,241	20	\$37,562	Turner County/8,708	Sow Facility
Redstone Dairy	\$4,400,000.00	\$4,400,000.00	80	\$55,000	Kingsbury County/5,192	New Dairy Facility
SFP LLC - Century Swine	\$612,900.00	\$612,900.00	17	\$36,053	Edmunds County/4,033	New Swine Facility
Wilson Trailer Company	\$104,000.00	\$104,000.00	75	\$1,387	Lennox/2,405	Business Expansion
Totals:	\$32,411,654	\$29,565,048	917	\$32,241	390,986	
Total Grants: 14						
Total Project Costs: \$1,744,337,418						

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.

FY2023 Accounting Breakout for South Dakota Jobs Program

Unobligated Balance Forward from FY22		\$ 1,149,013.69
Investment Council (FY2023)	\$ 15,207.32	
Total Credits		<u>\$ 15,207.32</u>
Available Balance as of 07/01/2022		<u><u>\$ 1,164,221.01</u></u>

Applicant	Request	Staff Recommendation	Board Approved
Totals	\$0.00	\$0.00	\$0.00

Returned Funds during FY23

AM&M	<i>08/01/2022</i>	\$ 15,791.46	
Sonstegaard Foods	<i>Withdrawn</i>	\$ 350,450.00	
			<u>\$366,241.46</u>

Unobligated Balance 6/30/2023		<u><u>\$ 1,530,462.47</u></u>
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Performance Measures/Budget Drivers for South Dakota Jobs Program - FY2023

Applicant	Amount Requested	Dollars Awarded	Projected Jobs Created/Retained	(Budget Driver) Dollars Granted per FTE	Communities Served/Population	Project Description
Totals:	\$0.00	\$0.00	0			

Total Grants: 0
Total Project Costs: \$0