

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 assistance 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 for the Local Infrastructure Improvement Program to the Board of Economic Development 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 program. 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 program.

**Local Infrastructure Improvement Program
as June 30, 2026**

Cash Balance (06-30-2026)	\$	6,587,345.75
LIIP's Approved Not Advanced	\$	1,718,807.96
<u>Applications Pending</u>		
Less Total Applications Pending	\$	-
<u>Proposals Outstanding</u>		
Less Total Amount Proposals Outstanding:	\$	-
Remaining LIIP Funds Available (06-30-2026)	\$	4,868,537.79

Performance Measures/Budget Drivers for Local Infrastructure Improvement Program - FY2026									
Applicant	Amount Requested	Dollars Awarded	State Gross Tax Receipts	Ongoing Taxes From Project (1)	Projected Jobs Created/Retained	(Budget Driver) Dollars Awarded per FTE	Communities Served/Population	Project Description	Project Cost
City of Watertown	\$500,000	\$500,000	\$323,005	\$755,669	235	\$2,128	Watertown / 23,501	Lift Station	\$3,594,600
Lake County	\$500,000	\$500,000	\$5,159,021	\$186,505	58	\$8,621	Lake County / 6,050	Road Reconstruction	\$3,206,399
Totals:	\$1,000,000	\$1,000,000	\$5,482,026	\$942,174	293	\$3,413			\$6,800,999
Total Projects: 2									
Total Project Costs: \$6,800,999									
(1) These taxes include sales and excise taxes.									

B

Economic Development Partnership Program

Purpose:

This program provides matching funds 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. The Economic Development Partnership Program 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 for an Economic Development Partnership Program to the Board of Economic Development under this program.

Payment:

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

Staff 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.
- Training needs for the purpose of developing or expanding local, community and economic development programs.

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 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 program. 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 program.

**Economic Development Partnership Program
as of June 30, 2026**

Cash Balance (06-30-2026)			\$	244,261.69
EDPP's Approved Not Advanced			\$	-
<u>Applications Pending</u>				
Ally Dakota Development, Inc.	\$	7,500		
Elevate Rapid City	\$	6,000		
Less Total Applications Pending			\$	13,500.00
<u>Proposals Outstanding</u>				
Less Total Amount Proposals Outstanding:			\$	-
Remaining EDPP Funds Available (06-30-2026)			\$	230,761.69

Performance Measures/Budget Drivers for Economic Development Partnership Program - FY2026						
Applicant	Amount Requested	Dollars Awarded	Applicant Contribution (Budget Driver)	Total Dollars Awarded / Applicant Contributions	Communities Served/Population	Project Description
Ally Dakota Development	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	Rapid City / 79,894	Fuel the Growth Training
Totals:	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00		
Total Projects: 1						

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.

**Reinvestment Payment Program
as of June 30, 2026**

Applicant	Request	Staff Recommendation	Board Approved	Percentage of Tax
Spartan Fire, LLC	\$700,000.00	\$636,300.00	\$636,300.00	100%
Grant Solar, LLC	\$2,681,000.00	\$2,775,673.00	\$2,775,673.00	50%
Century Swine RE, LLC	\$810,619.00	\$1,304,464.00	\$1,304,464.00	100%
Hord Family Farms of SD, LLC	\$526,902.00	\$862,806.00	\$862,806.00	100%
Whitewood Dairy, LLC	\$1,778,910.00	\$1,988,742.00	\$1,988,742.00	100%
Hydro Extrusion USA, LLC	\$490,000.00	\$555,618.00	\$555,618.00	50%
Dakota Ethanol, LLC	\$2,395,744.00	\$1,499,027.00	\$1,499,027.00	50%
Agropur, Inc.	\$1,195,561.00	\$835,953.00	\$835,953.00	50%
Smithfield Packaged Meats Corporation	\$29,975,400.00	\$29,975,400.00	\$29,975,400.00	100%
Total	\$40,554,136.00	\$40,433,983.00	\$40,433,983.00	

Performance Measures/Budget Drivers for Reinvestment Payment Program - FY2026

Applicant	Amount Requested	Ongoing Taxes from Project (1)	DOR Contractors Excise Tax	DOR Sales and Use Tax	Project Reassigned to County	Dollars Awarded (Not to Exceed)	Projected FTE's Created/Retained	(Budget Driver) Dollars Awarded per FTE	Communities Served/Population	Project Description	Total Project Costs
Agropur Inc.	\$1,195,561	\$171,385	\$1,299,085	\$1,671,905	No	\$835,953	15	\$55,730	Lake Norden / 670	Dairy Manufacturing/Processing Facility	\$65,267,030
Century Swine RE, LLC	\$810,619	\$221,127	\$844,609	\$1,304,464	Yes	\$1,304,464	33	\$39,529	Edmunds County / 4,022	Swine Facility	\$49,507,137
Dakota Ethanol, LLC	\$2,395,744	\$2,127,608	\$2,160,967	\$2,998,054	No	\$1,499,027	63	\$23,794	Wentworth / 138	Ethanol Processing Facility	\$114,083,038
Grant Solar, LLC	\$2,681,000	\$182,758	\$3,115,742	\$5,551	No	\$2,775,673	3	\$952,224	McCook County / 5,964	Renewable Energy - Solar	\$179,579,081
Hord Family Farms of SD, LLC	\$526,902	\$154,119	\$569,031	\$862,806	Yes	\$862,806	23	\$37,513	Miner County / 2,281	Swine Facility	\$32,705,000
Hydro Extrusion USA, LLC	\$490,000	\$2,077,295	\$69,190	\$1,111,236	No	\$555,618	383	\$1,450	Yankton / 15,411	Manufacturing Facility	\$28,464,000
Smithfield Packaged Meats Corporation	\$29,975,400.00	\$15,703,686	\$24,277,695.00	\$29,975,400.00	No	\$29,750,400.00	3,153	\$9,507.00	Sioux Falls / 224,676	Meat Processing Facility	\$1,293,100,000
Spartan Fire, LLC	\$700,000.00	\$934,038	\$104,091.00	\$636,300.00	No	\$636,300.00	283	\$2,248.00	Brandon / 11,306	Manufacturing Facility	\$20,000,000
Whitewood Dairy, LLC	\$1,778,910	\$321,639	\$605,625	\$1,988,742	Yes	\$1,988,742	48	\$41,432	Kingsbury County / 5,284	Dairy Facility	\$88,332,462
	\$40,554,136	\$21,893,655	\$33,046,035	\$40,554,458		\$40,208,983	4,004	\$10,042			\$1,871,037,748

Total Projects: 9

Total Project Costs: **\$1,871,037,748**

(1) These taxes are realized on an annual basis, including sales and use tax collections from increased wages and additional business investment. The DOR sales and use and contractor's excise taxes are one-time benefits from the initial project capital investment.

D

South Dakota Jobs 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 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 Program 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 Program. South Dakota Jobs Program is intended for projects that would not have occurred without the funds. The following projects are not eligible for South Dakota Jobs Program:

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 for a South Dakota Jobs Program to the Board of Economic Development 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 funds. At the conclusion of the project the project owner files an Affidavit for South Dakota Jobs Program with GOED, and if all of the conditions of the program have been met, GOED issues the funds 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 Program.

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 Program 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.

**South Dakota Jobs Program
as of June 30, 2026**

Cash Balance (06-30-2026)		\$	1,791,567.07
SDJP's Approved Not Advanced		\$	489,077.00
<u>Applications Pending</u>			
Dakota Metal Recycling	\$	214,465	
Less Total Applications Pending		\$	214,465.00
<u>Proposals Outstanding</u>			
Less Total Amount Proposals Outstanding:		\$	-
Remaining SDJP Funds Available (06-30-2026)		\$	1,088,025.07

Performance Measures/Budget Drivers for South Dakota Jobs Program - FY2026											
Applicant	Amount Requested	Ongoing Taxes from Project (1)	DOR Contractors Excise Tax	DOR Sales and Use Tax	Project Reassigned to County	Dollars Awarded (Not to Exceed)	Projected Jobs Created/Retained	(Budget Driver) Dollars Awarded per FTE	Communities Served/Population	Project Description	Total Project Costs
Agtegra Cooperative	\$512,422	\$149,684	\$269,963	\$338,991	No	\$254,243	16	\$15,890	Faulkton / 670	Feed Mill Facility	\$16,267,358
Agtegra Cooperative	\$133,061	\$710,999	\$126,908	\$171,670	No	\$85,835	76	\$1,129	Ipswich / 1,050 Bath / 103 Kennebec / 296 McLaughlin / 600	Fertilizer Manufacturing & Storage Facilities	\$6,336,220
Echo Zulu Defense	\$8,800	\$65,234	\$0	\$8,788	No	\$8,800	17	\$518	Sturgis / 7,014	Equipment Upgrade	\$209,011
Totals:	\$654,282	\$925,917	\$396,871	\$519,449		\$348,878	109	\$3,201			\$22,812,589
Total Projects: 3 Total Project Costs: \$22,812,589											
(1) These taxes are realized on an annual basis, including sales and use tax collections from increased wages and additional business investment. The DOR sales and use and contractor's excise taxes are one-time benefits from the initial project capital investment.											