



**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 31<sup>st</sup> will be considered at the board's September meeting; any application received by October 31<sup>st</sup> will be considered by the board at its December meeting; any application received by January 31<sup>st</sup> will be considered by the board at the board's March meeting, and any application received by April 30<sup>th</sup> 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.

**Local Infrastructure Improvement Program  
as of June 30, 2024**

Cash Balance (06-30-2024)		\$	6,372,166.27
LIIIP's Approved Not Advanced		\$	3,992,271.75
FY2024 Technical Assistance			\$0.00
<u>Applications Pending</u>			
Less Total Applications Pending		\$	-
<u>Proposals Outstanding</u>			
TBD	\$	500,000	
Less Total Amount Proposals Outstanding:		\$	500,000.00
Remaining LIIIP Funds Available (06-30-2024)		\$	<b>1,879,894.52</b>

**Performance Measures/Budget Drivers for Local Infrastructure Improvement Program - FY2024**

<b>Applicant</b>	<b>Amount Requested</b>	<b>Dollars Awarded</b>	<b>Projected Jobs Created/Retained</b>	<b>(Budget Driver) Dollars Granted per FTE</b>	<b>Communities Served/Population</b>	<b>Project Description</b>
City of Hartford	\$206,645.00	\$206,645.00	20	\$10,332.00	Hartford / 3,376	Infrastructure related to Pro Framing expansion
Greater Huron Development Corporation	\$401,085.00	\$401,085.00	10	\$40,109.00	Huron / 14,231	Rail Siding Project related to Advanced Sunflower expansion
City of Viborg	\$500,000.00	\$500,000.00	10	\$50,000.00	Viborg / 802	Infrastructure related to NuEra Steel expansion.
Corsica, Inc.	\$500,000.00	\$500,000.00	98	\$5,102.00	Corsica / 563	Infrastructure related to Dakota Tom's Sandwiches.
Lake Area Improvement Corporation	\$500,000.00	\$500,000.00	312	\$1,602.56	Madison / 6,071	Infrastructure related to Global Polymer expansion.
City of Canton	\$423,000.00	\$423,000.00	23	\$18,391.30	Canton / 3,065	Infrastructure related to Dakota Specialty Solutions expansion.
<b>Totals:</b>	<b>\$2,530,730.00</b>	<b>\$2,530,730.00</b>	<b>473</b>	<b>\$5,350.38</b>	<b>28,108</b>	
<b>Total Grants: 6</b>						
<b>Total Project Costs: \$11,633,083</b>						

**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 31<sup>st</sup> will be considered at the board's September meeting; any application received by October 31<sup>st</sup> will be considered by the board at its December meeting; any application received by January 31<sup>st</sup> will be considered by the board at the board's March meeting, and any application received by April 30<sup>th</sup> 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.

**Economic Development Partnership Program  
as of June 30, 2024**

Cash Balance (06-30-2024)	\$	46,103.63
EDPP's Approved Not Advanced	\$	1,000.00
<u>Applications Pending</u>		
Less Total Applications Pending	\$	-
<u>Proposals Outstanding</u>		
Less Total Amount Proposals Outstanding:	\$	-
Remaining EDPP Funds Available (06-30-2024)	\$	<b>45,103.63</b>

**Performance Measures/Budget Drivers for Economic Development Partnership Program - FY2024**

<b>Applicant</b>	<b>Amount Requested</b>	<b>Dollars Awarded</b>	<b>Applicant Contribution (Budget Driver)</b>	<b>Total Dollars Awarded / Applicant Contributions</b>	<b>Communities Served/Population</b>	<b>Project Description</b>
City of Dell Rapids	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	Dell Rapids / 3,931	Oklahoma University FDI Institute
<b>Totals:</b>	<b>\$1,000.00</b>	<b>\$1,000.00</b>	<b>\$1,000.00</b>	<b>\$1,000.00</b>		
<b>Total Grants: 1</b>						

**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, 2024**

<b>Applicant</b>		<b>Request</b>	<b>Staff Recommendation</b>	<b>Board Approved</b>	<b>Percentage of Tax</b>
3M Brookings	23-05	\$14,976,206.00	\$14,976,206.00	\$14,976,206.00	100%
High Plains Processing, LLC	23-06	\$8,275,206.00	\$7,304,687.00	\$7,304,687.00	75%
Sonstegard Foods, LLC	23-07	\$3,956,400.00	\$3,275,738.00	\$3,275,738.00	100%
Red Rock Real Estate, LLC	23-08	\$1,175,054.00	\$1,094,080.00	\$1,094,080.00	75%
<b>Total</b>		<b>\$28,382,866.00</b>	<b>\$26,650,711.00</b>	<b>\$26,650,711.00</b>	

**Performance Measures/Budget Drivers for Reinvestment Payment Program - FY2024**

<b>Applicant</b>	<b>Amount Requested</b>	<b>Dollars Awarded</b>	<b>Projected FTE's Created/Retained</b>	<b>(Budget Driver) Dollars Awarded per FTE</b>	<b>Communities Served/Population</b>	<b>Project Description</b>
3M Brookings (Solventum)	\$14,976,206	\$14,976,206	22	\$680,737	Brookings County / 34,639	Business Expansion
High Plains Processing LLC	\$8,275,316	\$7,304,687	73	\$100,064	Davison County / 19,878	Soybean Processing
Red Rock Real Estate LLC	\$1,175,054	\$1,094,080	21	\$52,099	Lincoln County / 67,870	Milk Processing
Sonstegard Foods LLC	\$3,956,400.00	\$3,275,738.00	110	\$29,779	Turner County / 8,708	Egg Production
<b>Totals:</b>	<b>\$28,382,976</b>	<b>\$26,650,711</b>	<b>226</b>	<b>\$117,924</b>	<b>131,095</b>	
<b>Total Grants: 4</b> <b>Total Project Costs: \$1,117,357,731.00</b>						

**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.

**South Dakota Jobs Program  
as of June 30, 2024**

Cash Balance (06-30-2024)	\$	1,675,437.80
SDJP's Approved Not Advanced	\$	21,314.64
<u>Applications Pending</u>		
Less Total Applications Pending	\$	-
<u>Proposals Outstanding</u>		
Less Total Amount Proposals Outstanding:	\$	-
Remaining SDJP Funds Available (06-30-2024)	\$	<b>1,654,123.16</b>

**Performance Measures/Budget Drivers for South Dakota Jobs Program - FY2024**

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

**Total Grants: 0**  
**Total Project Costs: \$0**