

OPPORTUNITY CAPTURE FUND

June 15, 2021

Minutes

An Opportunity Capture Fund meeting was held on June 15, 2021. Mayor Steve Allender called the meeting to order at 3:33 p.m.

The following Committee members were present: Mayor Steve Allender, Laura Armstrong, Bob DeMersseman, and Peter Cappa. Members Absent: Dick Johnson & Lance Lehmann. Others in attendance: Matt Brunner (Elevate Rapid City, Economic Development Director), Garth Wadsworth (Elevate Rapid City, Business Retention & Expansion), Tom Johnson (Elevate Rapid City, CEO), and Pauline Sumption (Finance Director).

Motion by Cappa, second by DeMersseman and carried to approve the minutes of the last meeting, held on April 8, 2021.

The committee reviewed the request from Elevate Rapid City on behalf of SatCOM Marketing (SCM) in the amount up to \$15,000 from the Opportunity Capture Fund to secure the expansion/location of SCM to the Rapid City Area. This grant would allow for \$125 per full-time job created (estimating 120) by November 16, 2021. The grant would be disbursed upon receiving a copy of SCM's payroll audit, at that time. Motion by Cappa, second by Armstrong and carried to approve an incentive grant in the amount of up to \$15,000 to SCM contingent on creating additional full-time jobs. The MOU will include standard stipulations and a clawback provision for distribution of this grant.

Brunner presented the quarterly payroll sheet from B9 Creations. After review, the committee agreed that this report was sufficient for quarterly updates for now but will re-evaluate after the next report is received.

Brunner also gave updates on the letters of concerns that he sent to BestGEN, Immutrix and Adams ISC. The committee requested that BestGEN submit monthly local payroll numbers, beginning July 1st. In addition, it was noted that BestGEN has until the end of 2021 to create an additional 120 FT jobs for phase I and until the end of 2024 for an additional 80 FT jobs for phase II.

Immutrix will also need to submit monthly local payroll numbers as they only had 22 as of February 2021. According to the grant MOU, they are to have 240 FT jobs by the end of 2023. In addition to the monthly reports, they need to submit new projections for job growth. They will also be put on notice that if there is not substantial progress made, the grant will be converted to a loan at the end of the year. Brunner will also ask for financial statements.

Adams ISC had 73 FT jobs as of April 2015, with projections of 125 by May 2020. The committee is requesting an update along with a future business plan. In addition, they will also be put on notice that their goal was not met and we will be looking at other options, up to including converting the grant to a loan.

Sumption gave an overview of the \$2 million funding request to the Council for use of the surplus funds created from COVID reimbursements from the State. It was requested that Elevate come to the council meeting on July 6th and give a presentation on Elevate and their role with the Opportunity Capture Fund and its funding.

DeMersseman left the meeting.

There being no further business to come before the committee, Allender adjourned the meeting at 4:42p.m.

Respectfully Submitted,

Pauline Sumption
Finance Director