

CHAIR:
MARIE J. CARMICHAEL

MEMBERS:
JOHN D. STARR
LARRY D. NEFF
JOHN E. MEHNER
L. B. ECKELKAMP, JR.
KELLEY M. MARTIN
REUBEN A. SHELTON
PATRICK J. LAMPING

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ



EX-OFFICIO MEMBERS:
PETER D. KINDER
LIEUTENANT GOVERNOR

DAVID D. KERR
DIRECTOR,
ECONOMIC DEVELOPMENT

DR. JON HAGLER
DIRECTOR, AGRICULTURE

SARA PARKER PAULEY
DIRECTOR,
NATURAL RESOURCES

MISSOURI DEVELOPMENT FINANCE BOARD

MEETING MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

Governor Office Building
200 Madison Street, Room 1010
Jefferson City, Missouri

AUGUST 16, 2011

The Missouri Development Finance Board met in regular session on Tuesday, August 16, 2011, beginning at 10:00 a.m. Notice of the meeting was duly posted as required by RSMo Section 610.020 at the MDFB principal office.

The following members and officers of the Board were present or absent at the meeting as follows:

Marie J. Carmichael	Chair	Present
John D. Starr	Vice Chairman and Member	Present*
Larry D. Neff	Secretary and Member	Present
John E. Mehner	Treasurer and Member	Present
L. B. Eckelkamp, Jr.	Member	Present
Kelley M. Martin	Member	Present*
Reuben A. Shelton	Member	Absent
Patrick J. Lamping	Member	Present
Peter D. Kinder	Lieutenant Governor and Member	Present*
David D. Kerr	Director, Dept. of Economic Development and Member	Present
Jon Hagler	Director, Dept. of Agriculture and Member	Absent
Sara Parker Pauley	Director, Dept. of Natural Resources and Member	Absent
Robert V. Miserez	Executive Director and Assistant Secretary	Present

*Participated via telephone conference call.

Chair Carmichael called the meeting to order and declared a quorum was present. In addition to the above, those in attendance included:

Board Staff: Kathleen Barney*, Krystal Davis, Kimberly Martin, Dawn Holt, Valerie Haller and Ryan Vermette

Board Counsel: David Queen*

Others Present: Pam Dixon, Lieutenant Governor's Office; Peter Czajkowski, Stifel Nicolaus; Christ Reichert, Stifel Bank & Trust; Patrick Tatarek, GE Capital; Joe Evans, City of West Plains; Toney Aid and Heather Fisher, Ozarks Small Business Incubator; Mark Stombaugh, Missouri Department of Economic Development,

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the July 19, 2011 meeting. The minutes were included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Secretary Neff made a motion to approve the minutes as presented. Treasurer Mehner seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Kerr, and Carmichael

Nay: None

Abstain: Lamping

Absent: Shelton, Kinder, Hagler and Pauley

Chair Carmichael declared the motion passed.

II. Treasurer's Report

Treasurer Mehner

Treasurer Mehner presented for approval the Treasurer's Report as of and for the fiscal year ending June 30, 2011. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. Treasurer Mehner noted that the submitted Treasurer's Report was the unaudited, yearend report. There being no questions, corrections or additions, Treasurer Mehner made a motion to approve the Treasurer's Report as submitted, unaudited. Secretary Neff seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Lamping, Kerr, and Carmichael

Nay: None

Absent: Shelton, Kinder, Hagler and Pauley

Chair Carmichael declared the motion passed.

III. Department of Economic Development Report

Director Kerr

Director Kerr reported that the Department has spent a significant amount of time in the past several months assisting with the devastating disasters that have occurred across the State. Director Kerr reported that within the first few days after the Joplin tornado, the Department submitted and received a \$5 million grant from the National Emergency

Grant (NEG) Program, and then submitted a second request and was approved for a total of \$20 million to assist with the State's disaster recoveries. Director Kerr noted that much of the grant money has been used all across the State, with a great majority being used in Joplin as approximately 7,000 houses were destroyed because of the Joplin tornado. Director Kerr commented that the NEG Program has put people back to work as approximately 557 individuals are assisting with the clean-up efforts in Joplin, approximately 124 individuals are assisting with the flood clean-up in Southeast Missouri, approximately 22 individuals are assisting with the flood clean-up in Central Missouri, and as flood waters have begun to recede in Northwest Missouri additional jobs will be needed for that clean-up. Director Kerr reported that the Department has submitted a request for clarification and waiver of certain provisions that would allow the Department to use some of the funds to pay for heavy equipment that is needed in the flooded areas.

Director Kerr commented that great progress has been made with the disaster recovery efforts and mentioned that the Governor and congressional delegation have been active lobbying FEMA to extend the 90% cost for disaster recovery. Director Kerr reported that the Department has spent a large amount of time particularly in Joplin, because clean-up is important, but with so many homes being destroyed the Department has been trying to structure programs to facilitate the commitment to rebuild the houses.

Lt. Governor Kinder joined the meeting via telephone conference call.

IV. Department of Agriculture Report Director Hagler

This report was deferred.

V. Department of Natural Resources Director Pauley

This report was deferred.

VI. Lieutenant Governor's Report Lt. Governor Kinder

Lt. Governor Kinder deferred his report.

VII. New Business

A. Stifel Financial Corporation — BUILD Missouri Application Resolution of Intent Robert V. Miserez

Mr. Miserez presented the application from Stifel Financial Corporation for Missouri BUILD Bonds in an amount not to exceed \$2,582,500.

Mr. Miserez reported the total project cost is \$34,858,000 and the Company will commit to creating 225 new jobs over the next three years with an annual average wage of \$65,000. Mr. Miserez noted that the Department of Economic Development is reviewing the Company application for \$2.8 million in Quality Jobs incentives for this project. Staff recommended adoption of the Resolution of Intent.

Mr. Miserez introduced Peter Czajkowski with Stifel Nicolaus. Mr. Czajkowski gave a brief PowerPoint presentation regarding the project and Company. Mr. Czajkowski reported that Stifel Financial Corporation is committed to maintaining its national/international headquarters in St. Louis and is taking the opportunity to purchase their current building at the corner of Washington and Broadway. Mr. Czajkowski discussed the Company's corporate highlights, its strong capital markets, and brokerage network. Mr. Czajkowski introduced Chris Reichert, CEO of Stifel Bank & Trust. Mr. Reichert discussed Stifel Nicolaus' balance sheet commitment, Stifel Financial's capital and brokerage position, and recent growth in these markets. Mr. Reichert reported on the acquisition and redevelopment of the 501 N. Broadway building and the opportunity to maintain Stifel's growing headquarters in Missouri.

Lt. Governor Kinder made a motion to approve the following Resolution of Intent:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING A PROJECT FOR A SUBSIDIARY OR
AFFILIATE OF STIFEL FINANCIAL CORP., AND DETERMINING THE
INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE
BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$2,582,500
TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.**

Secretary Neff seconded the motion. Member Martin questioned if the other political subdivisions have committed the local incentives. Mr. Czajkowski responded that the City of St. Louis' elected officials have stated their intention to support the incentives of real estate tax abatement and that Stifel will continue to make scheduled payments to the school district, and the sharing of EATS rebates above the current amount paid. Mr. Czajkowski commented that the approval of these local incentives is in process.

Member Martin questioned if all of the incentives would need to be approved before the project would move forward. Mr. Czajkowski responded that the Company has been progressing with the necessary agreements and he believes they have very broad City support for the project.

There being no further questions or comments and with a motion and second on the floor, the following roll call vote was recorded:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Lamping, Kinder, Kerr and Carmichael

Nay: None

Absent: Shelton, Hagler and Pauley

Chair Carmichael declared the motion passed.

Lt. Governor Kinder disconnected from the call for another commitment.

B. Shillington Box Company — Industrial Revenue Bonds Application — Resolution of Intent Kathleen Barney

Ms. Barney presented the application from the Shillington Box Company for Industrial Revenue Bonds in an amount not to exceed \$4,500,000 for the second phase of modernizing and repositioning Shillington's operations.

Ms. Barney reported that Shillington Box Company designs, manufactures and markets corrugated packaging materials, including sheets, shipping containers and displays. The Company is located in St. Louis County and is owned by Forest Resources LLC. Ms. Barney noted the bonds will fund a new high speed 4-color box line that will replace two, 2-color box lines and is expected to improve the efficiency of the plant greatly.

Ms. Barney reported that project cost is \$4.1 million and the project is considered a retention project. The repayment source is Shillington cash flow and Forest Resources LLC will guaranty the bonds. Ms. Barney noted the project is a conduit bond issue and will be placed directly with GE Government Finance, Inc. Staff recommended adoption of the Resolution of Intent for Bonds not to exceed \$4.5 million and is subject to receiving a Private Activity Bond Allocation from the Department of Economic Development.

Member Martin questioned if sales tax would be paid on the equipment and if the taxes would be paid in Missouri. Patrick Tatarek with GE Capital responded that the sales taxes would be paid in Missouri. Chair Carmichael also mentioned that the Board has no repayment obligation.

Secretary Neff made a motion to approve the following Resolution of Intent:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR SHILLINGTON BOX COMPANY LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 TO FINANCE THE COSTS OF SUCH PROJECT.

Treasurer Mehner seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Lamping, Kerr and Carmichael

Nay: None

Absent: Shelton, Kinder, Hagler and Pauley

Chair Carmichael declared the motion passed.

C. City of West Plains — Ozarks Small Business Incubator Kimberly Martin
Tax Credit for Contribution Application

Ms. Martin presented the application from the City of West Plains for the benefit of the Ozarks Small Business Incubator (OzSBI) requesting \$65,000 in tax credits to raise up to \$130,000 in contributions for Phase Three of redevelopment efforts. Phase Three projects costs are estimated at \$335,000; total funds spent to date are \$2,419,500.

Ms. Martin introduced Toney Aid with the OzSBI. Mr. Aid gave a brief PowerPoint presentation on the project and its redevelopment efforts. Mr. Aid gave historical information on Downtown West Plains, Inc., and noted that it owns the current building that houses OzSBI. Mr. Aid commented that the Ozarks region is rich in entrepreneurs and that an incubator builds entrepreneurial skills and creates successful businesses. Mr. Aid discussed the project's progress, what the facility will offer, and the goals of the OzSBI.

Secretary Neff asked for the total investment in downtown West Plains after their DREAM designation. Mr. Aid responded that approximately \$2.5 million to date has been spent on the incubator; they received \$500,000 from HUD; the City funded approximately \$1-\$1.5 million to bury all the downtown utilities; a \$400,000 blight grant was received from the State for blight eradication; \$87,000 was received from the USDA for rural technologies; and currently the OzSBI is working with a \$500,000 grant from the SBA.

Treasurer Mehner questioned if the project would be able to raise the contributions in the amount of time needed. Heather Fisher with OzSBI responded that the organization has a very good track record with receiving and using tax credits and commented they have great community support.

Chair Carmichael thanked the representatives for their presentation and noted that the item was for preliminary presentation only for questions and discussion with no Board action taken at the time.

D. FY2012 MDFB Budget

Krystal Davis

Treasurer Mehner commented that as the Board was established, the Board is not required to prepare/adopt a budget, but does and believes the Board has greatly benefited from it.

Ms. Davis presented the FY2012 MDFB budget and referenced the major assumptions and methodology of the proposed budget that was included in Board materials distributed in advance of the meeting. Ms. Davis reported the budget is of the Industrial Development Reserve Fund and Parking Garage Fund and does not incorporate the MIDOC or Small Business Revolving Loan Funds.

Ms. Davis reported that the trends projected through 2014 have some declines in revenues due to numerous factors, much of which is accountable to the economy. Ms. Davis discussed the operating revenues and operating expenses for the Board's programs and also discussed the non-operating revenue. Ms. Davis reported on the Parking Garage Fund's debt and impact of interest rates handout that was distributed at the meeting.

Chair Carmichael questioned the year the Board has the opportunity to repurchase the Old Post Office. Ms. Davis responded the Board has the option during FY2015.

Mr. Miserez thanked Krystal Davis, Dawn Holt and all of the Board staff that participated in preparing the budget for their excellent work.

Secretary Neff made a motion to adopt the FY2012 MDFB Budget as presented. Treasurer Mehner seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Lamping, Kerr and Carmichael

Nay: None

Absent: Shelton, Kinder, Hagler and Pauley

Chair Carmichael declared the motion passed.

CLOSED SESSION

Treasurer Mehner made a motion to go into closed session pursuant to Section 610.021 (13) of the Missouri Statutes for the purpose of individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such and,

Section 610.021 (1) of the Missouri Statutes for the purpose of legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys. Member Lamping seconded the motion. The following roll call vote was recorded to go into closed session:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Lamping, Kerr and Carmichael

Nay: None

Absent: Shelton, Kinder, Hagler and Pauley

Chair Carmichael declared the motion passed.

Upon completion of discussion, Treasurer Mehner made a motion to move the meeting back into open session. Member Lamping seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Mehner, Eckelkamp, Martin, Lamping, Kerr and Carmichael

Nay: None

Absent: Shelton, Kinder, Hagler and Pauley

Chair Carmichael declared the motion passed and moved the meeting into open session.

OPEN SESSION

VIII. Executive Director's Report

Mr. Miserez deferred his report.

IX. Adjournment

There being no further business before the Board, Treasurer Mehner made a motion to adjourn the meeting. Member Lamping seconded the motion. With unanimous consensus, Chair Carmichael declared the meeting adjourned.

[Secretary Neff's Signature]