

**CHAIR:**  
MARIE J. CARMICHAEL

**MEMBERS:**  
JOHN D. STARR  
LARRY D. NEFF  
JOHN E. MEHNER  
L. B. ECKELKAMP, JR.  
DANETTE D. PROCTOR  
BRIAN H. MAY  
KELLEY M. MARTIN

**EXECUTIVE DIRECTOR:**  
ROBERT V. MISEREZ



**EX-OFFICIO MEMBERS:**  
PETER D. KINDER  
LIEUTENANT GOVERNOR

DAVID D. KERR  
DIRECTOR,  
ECONOMIC DEVELOPMENT

DR. JON HAGLER  
DIRECTOR, AGRICULTURE

MARK N. TEMPLETON  
DIRECTOR,  
NATURAL RESOURCES

## MISSOURI DEVELOPMENT FINANCE BOARD

### MEETING MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

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

MARCH 16, 2010

The Missouri Development Finance Board met in regular session on Tuesday, March 16, 2010, beginning at 10:30 a.m. The meeting was conducted via telephone conference call. Notice of the meeting was duly posted as required by Section 610.020 RSMo 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	Absent
Larry D. Neff	Secretary and Member	Present
John E. Mehner	Treasurer and Member	Absent
L. B. Eckelkamp, Jr.	Member	Present
Danette D. Proctor	Member	Present
Brian H. May	Member	Present
Kelley M. Martin	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	Present
Mark Templeton	Director, Dept. of Natural Resources and Member	Present
Robert V. Miserez	Executive Director and Assistant Secretary	Present

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, Mike Golden, Dawn Holt, Kimberly Martin and Valerie Haller

Board Counsel: David Queen

Others Present: None

**I. Secretary's Report**

Secretary Neff

Secretary Neff presented for approval the minutes from the February 16, 2010 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. Member Eckelkamp seconded the motion. The following roll call vote was recorded:

Aye: Neff, Eckelkamp, Proctor, May, Martin, Kinder, Kerr, Hagler, Templeton and Carmichael

Nay: None

Absent: Starr and Mehner

Chair Carmichael declared the motion passed.

**II. Treasurer's Report**

Treasurer Mehner

Krystal Davis presented for approval the Treasurer's Report as of and for the seven months ended January 31, 2010. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. Ms. Davis noted that the Board's cash balance was unusually large due to monies required to fund the LCRA loan, cash needed for the Board portion of Seventh Street Garage project, as well as timing of investment maturities and purchases. There being no questions, corrections or additions, staff recommended that the Treasurer's Report be accepted as presented. Secretary Neff made a motion to approve the Treasurer's Report as presented. Lt. Governor Kinder seconded the motion. The following roll call vote was recorded:

Aye: Neff, Eckelkamp, Proctor, May, Martin, Kinder, Kerr, Hagler, Templeton and Carmichael

Nay: None

Absent: Starr and Mehner

Chair Carmichael declared the motion passed.

**III. Department of Economic Development Report**

Director Kerr

Director Kerr reported that the Department has two pending large projects in terms of job creation in the State. Director Kerr met with executives of a global company that is looking at a high-tech project in Missouri that will create approximately 800 to 1,000 jobs and the Department hopes to secure the company and jobs soon. Director Kerr reported that the other project is an item listed on today's Board agenda and if the proposal is approved to move forward, the project would create approximately 500 jobs.

Director Kerr reported that the Department has an aggressive economic development program on the current legislative agenda and the three primary programs or bills pending are the Missouri First Initiative, MOSIRA, and the Show-Me Fund. Director Kerr reported that the Missouri First Initiative would provide additional economic incentives to Missouri businesses that have operated in the state for at least five years; the Missouri Science and Innovation Reinvestment Act (“MOSIRA”) would fund science and technology economic development programs that would attract and retain high-tech scientific and research jobs in Missouri; and the Show-me Fund will position Missouri to be more competitive with other states and allows the Department additional flexibility in terms of business opportunities and to provide upfront funding mechanisms.

Member Martin asked Director Kerr if he would report on the status of the Smith Electric Vehicles project in Kansas City. Director Kerr responded that he did a site visit to Smith Electric Vehicles and reported that late last week the Company offered to purchase the parent company in England and that the Department continues to facilitate economic development assistance to the Company to ensure that the corporate headquarters and production line stays in Kansas City.

**IV. Department of Agriculture Report**

Director Hagler

Director Hagler reported that he was pleased to join Director Kerr in announcing a new enterprise in the Missouri Bootheel — DuPont and Pioneer Hi-Bred has selected the Missouri Bootheel for their new soybean production facility. Director Hagler commented that it has been a project the Department has been working on for a year with the Department of Economic Development and has come to fruition.

**V. Department of Natural Resources**

Director Templeton

Director Templeton deferred his report.

**VI. Lieutenant Governor’s Report**

Lt. Governor Kinder

Lt. Governor Kinder reported that efforts are ongoing to preserve the Tour of Missouri Bicycle Race.

Member Martin commented that Lt. Governor Kinder was a speaker at the ribbon-cutting ceremony for the Kansas City Metropolitan Community College — Penn Valley Health Science Institute and that he was very impressed with the Institute. Lt. Governor Kinder commented he was very impressed with the facility and that the Board should be proud of its assistance with the project. Mr. Miserez reported that the Metropolitan Community College (“MCC”) had planned to be on the agenda to give an in-person update of their progress, but because the meeting was being held via telephone conference call they asked to defer until the next in-person meeting. Mr. Miserez commented that MCC has made great progress on their project and look forward to updating the Board soon.

## VII. Old Business

### A. City of Kansas City — KCI Overhaul Base Amendment to Tax Credit Agreement

Robert V. Miserez

Mr. Miserez gave a brief history and background of the KCI Overhaul Base project. Mr. Miserez reported that in 2004 the Board approved a Contribution for Tax Credit application from the City of Kansas City to partially fund accumulated deferred maintenance improvements at the Kansas City International Overhaul Base. Mr. Miserez reported that the facility improvements were segregated into two components — the Super Hangar (wide-body overhaul hangars) and the Remainder (narrow-body overhaul hangars, maintenance, shop, office/administrative support, and other facilities) all comprising the Premises. Mr. Miserez commented that the project was primarily a retention project for American Airlines who, at that time, were using the Overhaul Base, and whose 25-year lease with the City was to expire at year end.

Mr. Miserez reported that the Contribution was in the form of a 50-year leasehold interest contributed to the Board from the Kansas City EDC Loan Corporation (a nonprofit entity). The City of Kansas City assigned this interest to the Nonprofit Entity, but maintained fee simple title to the real property and improvements. The City, Nonprofit Entity, and the Board were the Parties to the Tax Credit Agreement (“TCA”). Mr. Miserez reported that the City entered into another 25-year lease of the facilities with American Airlines in an attempt to maintain the approximately 2,000 jobs then at the facility.

Mr. Miserez continued commenting that, unfortunately, as American’s business evolved, they have been declining in their job base at the facility since then. The Lease between American and the City contained clauses, among other conditions, which require American to turn back unused space at certain points of time at the request of the City without any reduction in American’s approximately \$1.1 million annual base lease payment. Mr. Miserez reported that American has since then turned back the Remainder, while continuing to occupy the Super Hangar.

Mr. Miserez reported that the City and the Department of Economic Development have been working with Jet Midwest, Inc., a closely-held Kansas corporation, to enter into a 10-year lease with two 10-year renewal options for a portion of the Remainder that American vacated; however, there still are necessary improvements that need to be made to the site.

Mr. Miserez reported that the City requested an amendment to the TCA which would allow the City to continue drawing down Contribution Tax Credit Proceeds that were realized in 2004 under the original TCA structure in which there was a two-thirds City to one-third Proceeds matching basis.

Mr. Miserez referred to Mark VanLoh's February 19, 2010 letter that was included in Board materials distributed in advance of the meeting. Mr. VanLoh's letter identified \$30.6 million of additional infrastructure costs necessary to make space suitable for future use and long-term leasing at the Overhaul Base. The letter also advised spending \$6 million of City funds matched to \$3 million of remaining Proceeds to pay for these costs.

Mr. Miserez recommended approval of the request which could result in the creation of 500 jobs over a five-year period of time; 50 in each of the first two years, 125 in years three and four, and 150 in the fifth year.

Mr. Miserez referred to the revised recommendation that was distributed to the members earlier that morning. Mr. Miserez explained that roman numeral (v) of the contingencies had been expanded to recognize obligations for costs the City may have incurred by the fifth anniversary date, but not yet completed or paid. Mr. Miserez reported that the City had agreed to these contingencies as revised. Mr. Miserez was available for questions.

Secretary Neff commented he would like assurance that American Airlines would be held accountable for the remainder of their \$1.1 million annual base lease payment. Director Kerr responded that the City has every intention of holding American Airlines responsible for their annual base lease until they relinquish the property. Mr. Miserez commented the City has consistently given him the same assurances.

Member Martin made a motion to approve the request to amend the Tax Credit Agreement via a Letter Agreement containing specific contingencies for the Kansas City International Airport Overhaul Base project as presented. Secretary Neff seconded the motion. The following roll call vote was recorded:

Aye: Neff, Eckelkamp, Proctor, May, Martin, Kinder, Kerr, Hagler, Templeton and Carmichael

Nay: None

Absent: Starr and Mehner

Chair Carmichael declared the motion passed.

B. City of Neosho — Downtown Revitalization Kimberly Martin  
Amendment to Tax Credit Agreement

Ms. Martin presented the request from the City of Neosho to amend their Tax Credit Agreement ("TCA") to include reallocation of approximately \$306,000 in Contribution Tax Credits to expand the project area and allow additional projects within the DREAM Planning Area.

Ms. Martin gave a brief history of the downtown revitalization project noting that the initial project was approved in December 2003 for tax credits in the amount of \$475,000 to fund the replacement of sidewalks, curbs, and lighting improvements in a designated portion of the downtown area. Ms. Martin continued reporting that in November 2008 the Board approved an amendment to the TCA to include additional activities identified in the DREAM planning process, including alley improvements and acquisition and demolition of blighted property within the designated area.

Ms. Martin reported that from the initial approval, the City successfully raised more than \$899,000 in contributions and has used more than \$563,000 on the approved downtown revitalization activities. Currently the Board is holding approximately \$306,000 in trust for the City of Neosho Downtown Revitalization Project.

Ms. Martin reported that the City has requested to further amend the existing TCA to expand the project area and include public infrastructure projects being partially funded through CDBG and MoDOT funding awards. The Board's tax credits will be used to help the City matching requirements for both projects.

Ms. Martin continued reporting that the activities are similar to what the Board has already approved, they are just located outside the originally designated area; but all projects are located within the DREAM Planning Area.

Staff recommended that the First Amendment to Tax Credit Agreement be amended to expand the project area and allow additional projects within the designated DREAM Planning Area.

Secretary Neff made a motion to approve the amendment to the First Amendment to Tax Credit Agreement to expand the project area and allow additional projects within the DREAM Planning Area for the City of Neosho Downtown Revitalization Project. Member Proctor seconded the motion. The following roll call vote was recorded:

Aye: Neff, Eckelkamp, Proctor, May, Martin, Kinder, Kerr, Hagler, Templeton and Carmichael

Nay: None

Absent: Starr and Mehner

Chair Carmichael declared the motion passed.

## **VIII. Executive Director's Report**

Mr. Miserez gave a brief update on the St. Louis Centre/Seventh Street Garage project and reported that the One City Centre office tower closed into escrow last week.

Mr. Miserez announced that Chair Carmichael, Member May and Member Martin are the three Board representatives on the Seventh Street Garage Public Parking Corporation.

Mr. Miserez briefed the Board on the major locational project DED and staff are working on that Director Kerr mentioned in his Director's report. Mr. Miserez reported that should Missouri be chosen as the designated site, the project could come before the Board at the regularly scheduled April meeting; however, there could be the possibility of a special meeting prior to April 20th to meet the company's timeline.

Mr. Miserez announced that the new DREAM Web site has been launched and encouraged members to visit it at [www.modream.org](http://www.modream.org).

Member Martin asked about the current status of the Tour of Missouri Bicycle Race. Lt. Governor Kinder commented that he would give a comprehensive report at the next meeting.

## **IX. Adjournment**

There being no further business before the Board, Member May made a motion to adjourn the meeting. Member Martin seconded the motion. The following roll call vote was recorded:

Aye: Neff, Eckelkamp, Proctor, May, Martin, Kinder, Kerr, Templeton and Carmichael

Nay: None

Absent: Starr, Mehner and Hagler

Chair Carmichael declared the motion passed and the meeting was adjourned.

[Secretary Neff's Signature]