

CHAIR:
LINDA M. MARTÍNEZ
DIRECTOR, ECONOMIC DEVELOPMENT

MEMBERS:
JOHN D. STARR
LARRY NEFF
L. B. ECKELKAMP, JR.
DANETTE D. PROCTOR
JOHN E. MEHNER
BRIAN H. MAY
MARIE CARMICHAEL



EX-OFFICIO MEMBERS:
PETER D. KINDER
LIEUTENANT GOVERNOR

DR. JON HAGLER
DIRECTOR, AGRICULTURE

MARK N. TEMPLETON
DIRECTOR,
NATURAL RESOURCES

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ

MISSOURI DEVELOPMENT FINANCE BOARD

MINUTES

MISSOURI DEVELOPMENT FINANCE BOARD

Special Preliminary Meeting

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

APRIL 21, 2009

The Missouri Development Finance Board met for a special preliminary meeting on Tuesday, April 21, 2009, beginning at 9:45 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:

Linda Martínez	Director, Dept. of Economic Development and 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	Absent
Danette D. Proctor	Member	Present
Brian H. May	Member	Present
Marie Carmichael	Member	Present
Peter D. Kinder	Lieutenant Governor and Member	Absent
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

In addition to the above, those in attendance included:

Board Staff: Kathleen Barney, Mike Golden and Valerie Haller

Board Counsel: David Queen

Others Present: Jerry Dowell, Lieutenant Governor's Office; Mike Whittle and Amelia Frankel, Armstrong Teasdale LLP; Bill DeWitt III, St. Louis Cardinals; Chase Martin, Cordish Company; Jon Giokas and David Richardson, Husch Blackwell Sanders; Rodney Crim, St. Louis Development Corporation; David Scobey, Herzog & Scobey, LLC; Keith Wenzel, Hendren & Andre LLC; Virginia Young, St. Louis Post-Dispatch; and David Lieb, Associated Press

I. Summary Presentation and Review of the St. Louis Ballpark Village MODESA Information Given at the March 24, 2009 MDFB Meeting

Mr. Miserez welcomed everyone and explained that the reason for the preliminary meeting was to give an opportunity for the new Board members and members that were not present during the March meeting to review information presented. Mr. Miserez introduced Rodney Crim with the St. Louis Development Corporation.

Mr. Crim gave a brief overview of the presentation and introduced Chase Martin with the Cordish Company. Mr. Martin gave a brief presentation on the development logistics of Ballpark Village and also examples of other Cordish Company projects.

Bill DeWitt III, President of the St. Louis Cardinals, commented that the average state tax revenues in the first three years of the ballpark now have been just under \$18 million. Mr. DeWitt also commented they are expecting to do a project that has density and take downtown St. Louis to another level.

David Richardson with Husch Blackwell Sanders summarized the key terms of the development proposal completed in 2007 versus the current development proposal.

Mr. Crim recapped portions of the presentation, phasing, and proposed schedule of the project. Representatives of the project were available for questions.

Secretary Neff commented to the representatives of the project the need for positive public and legislative feedback and support of the project and to ensure the entire state is educated as to the type of funding being used for the project. Mr. Crim agreed that education is key and that the type of funding for this project is incremental revenue generated from the project itself and not tax credits.

Member May inquired about the timeline and sale of bonds. Mr. Crim responded that construction would begin soon after the bonds are sold.

II. Adjournment

There being no further business before the Board, it was consensus to adjourn the meeting. The meeting was adjourned.

[Secretary Neff's Signature]

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MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

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

APRIL 21, 2009

The Missouri Development Finance Board met in regular session on Tuesday, April 21, 2009, beginning at 10:30 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:

Linda Martínez	Director, Dept. of Economic Development and Chair	Present
John D. Starr	Vice Chairman and Member	Absent
Larry D. Neff	Secretary and Member	Present
John E. Mehner	Treasurer and Member	Present
L. B. Eckelkamp, Jr.	Member	Absent
Danette D. Proctor	Member	Present
Brian H. May	Member	Present
Marie Carmichael	Member	Present
Peter D. Kinder	Lieutenant Governor 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 Martinez called the meeting to order and declared a quorum was present. In addition to the above, those in attendance included:

Board Staff: Kathleen Barney, Mike Golden, Krystal Davis, Dawn Holt, Kimberly Martin and Valerie Haller

Board Counsel: David Queen

Others Present: Jerry Dowell, Lieutenant Governor's Office; Scott Totten, Missouri Department of Natural Resources; Tony Stafford, Missouri Department of Agriculture; Bob Lewis and Larry Marks, Development Strategies; Mike Whittle and Amelia Frankel, Armstrong Teasdale LLP; Bill DeWitt III, St. Louis Cardinals; Chase Martin, Cordish Company; Jon Giokas and

David Richardson, Husch Blackwell Sanders; Rodney Crim, St. Louis Development Corporation; Jennifer Nitzband, Stern Brothers & Co.; Wayne Mosher, Midwest Ranger, Inc.; Mike Downing, Missouri CORE; David Scobey, Herzog & Scobey, LLC; Dustin Allison, Governor's Office; Sallie Hemenway, Ann Perry and Alan Spell, Missouri Department of Economic Development; Keith Wenzel, Hendren & Andre LLC; Virginia Young, St. Louis Post-Dispatch; Jason Noble, Kansas City Star; Alyson Raletz, St. Joseph News Press; and David Lieb, Associated Press

Chair Martínez welcomed new Board members Brian May and Marie Carmichael, and also welcomed Department of Natural Resources Director Mark Templeton.

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the March 24, 2009 meeting. The minutes were included in the Board materials distributed in advance of the meeting. Chair Martínez asked that clarification be made on the City of Chillicothe application that the motion was to approve in accordance to the submitted application. There being no questions, further corrections or additions, Secretary Neff made a motion to approve the minutes with the correction noted. Member Mehner seconded the motion. The following vote was recorded:

Aye: Neff, Mehner, Proctor, May, Carmichael, Kinder, Hagler, Templeton and Martínez

Nay: None

Absent: Starr and Eckelkamp

Chair Martínez declared the motion passed.

II. Treasurer's Report

Treasurer Mehner

Treasurer Mehner presented for approval the Treasurer's Report as of and for the eight months ended February 28, 2009. The Treasurer's Report was 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 Treasurer's Report as submitted. Lt. Governor Kinder seconded the motion. The following vote was recorded:

Aye: Neff, Mehner, Proctor, May, Carmichael, Kinder, Hagler, Templeton and Martínez

Nay: None

Absent: Starr and Eckelkamp

Chair Martínez declared the motion passed.

III. Department of Economic Development Report

Director Martínez

Chair Martínez reported the Department continues to work on legislation and that they are hopeful for a reconsideration of the proposed funds to create jobs for the future. The Department also hopes to look at innovative ways to incentivize the growth of different businesses and take advantage of the opportunities and leverage the funds that are available in the stimulus package.

Chair Martínez commented the Department has been reviewing many projects; although many are requesting support from non-traditional sources.

IV. Department of Agriculture Report

Director Hagler

Director Hagler reported the Department continues to work with the Department of Economic Development on agricultural business development. The Department also continues to work through the appropriation process and budget.

V. Department of Natural Resources

Director Templeton

Director Templeton reported that as Director he is very much committed to both preserving, affecting and making productive use of the state's natural resources. He commented that they are going to protect the environment, but also work diligently on economic development.

VI. Lieutenant Governor's Report

Lt. Governor Kinder

The Lt. Governor had no report.

VII. Old Business

A. St. Louis Ballpark Village
MODESA Application

Robert V. Miserez

Chair Martínez reported that Sallie Hemenway with the Department of Economic Development was going to give an overview of the underlying statutory requirements of the MODESA program and the information presented for Ballpark Village.

Ms. Hemenway gave a presentation on the history of the MODESA program and the fundamentals of how the program works. The program essentially is a tax increment financing tool and the program also requires a local underlying TIF. Ms. Hemenway explained that the program offers 50 percent of the state income tax created by new jobs inside the redevelopment area and 50 percent of the new state general revenue sales tax generated as a result of new retail sales inside the redevelopment area.

Ms. Hemenway stated that the MODESA statute provides a tremendous amount of detail, including who can apply and what are eligible areas. The statute also defines what an eligible reimbursable cost is. There are specific costs that may only be paid for using MODESA funds as well, and those include improvements to public property, buildings or rights-of-way for public purposes that would help support the development.

Ms. Hemenway continued her presentation and commented that the statute also defines sales taxes that are really indeed new to the state and to entities that are new to the state.

Ms. Hemenway stated the application review really is two step process, and it incorporates both the Department of Economic Development and the Missouri Development Finance Board. The Department reviews, analyzes and makes a recommendation to the MDFB for its determination. If the application is approved, the DED in conjunction with the MDFB will issue a certificate of approval with the terms and conditions of the approval as a written agreement with the city. The certificate of approval will have a “Schedule A”, which is a chart of the maximum amount of increment that may be derived in any one of the 25 years of the term of the MODESA. If approved, the state pays the lesser of the amount found on the Schedule A for that year, or the amount of revenue actually received by the state from the project area.

Ms. Hemenway continued indicating that the Department’s review of the Ballpark Village includes a statutory eligibility checklist. The Department also does a financial review including cost reasonableness and sales tax displacement. Ms. Hemenway reported that the Department has also reviewed the actual sales and experience in the Kansas City Live! Project as a comparison for the Ballpark Village project. Ms. Hemenway introduced Alan Spell with the MERIC Division of the Department of Economic Development.

Mr. Spell gave a presentation on job displacement and the due diligence process required as part of the statutory review and approval process. Mr. Spell explained that displacement analysis is looking at what is net new to the state or what we assume is going to be new jobs and new sales to the state for something that will happen in the future. The analysis includes two types of displacement — sales and relocation displacement.

Ms. Hemenway mentioned that the Department is following the debt market and the bond market closely. They continue to look at tenant leases and the Project phases to ensure the financing coincides with how the Project will be developed. Ms. Hemenway was available for questions.

Lt. Governor Kinder thanked Ms. Hemenway for her excellent summation and the due diligence on the project. He commented that the MODESA Program is a major success story for the state.

Chair Martínez introduced Rodney Crim with the St. Louis Development Corporation to give updates on the Ballpark Village project.

Mr. Crim indicated that the Developers would be giving a short presentation on the status of the Project in terms of what has happened since the last meeting.

Bill DeWitt, III, President of the St. Louis Cardinals, commented that in anticipation of the All Star Game, they will place a temporary paved parcel on the east side of the Ballpark Village site and a small softball field on the other side.

Mr. Crim reported on the MBE/WBE requirements and that as required in the development agreement, the Developer will comply with the Mayor's executive order which indicates 25 percent minority participation and 5 percent women participation. Mr. Crim stated the City also is very committed to ongoing employment of City residents and particularly the minority community.

Chase Martin with the Cordish Company gave a brief minority participation summary and job creation summary of the projects the Company has developed.

Chair Martínez thanked the representatives for their presentation.

Director Templeton left the meeting for another commitment.

B. Micro Loan Program Funding

Robert V. Miserez

Chair Martínez reported that in March the Board discussed the steps of the Micro Loan Program and the question raised about the ability of the Board to handle the program financially. Chair Martínez also reported that the Request for Proposal ("RFP") had been distributed to different entities throughout the state, including all of the 19 regional planning commissions, asking if they were interested in administering the Program.

Chair Martínez stated the MDFB Finance Committee had met and asked that Treasurer Mehner give an update on the results of that meeting in terms of the Board's ability to handle the amount of finances.

Treasurer Mehner reported that the Committee was comfortable with the fact that the Board had \$2 million available for the Program after reviewing the cash

reserve and unrestricted funds. Treasurer Mehner indicated that Robert Miserez would present the recommendation on behalf of the Committee.

Mr. Miserez commented that the Committee was charged with reviewing the financial statements of the Board and make a determination as to the availability of the funding source. The Committee did their review and is comfortable that the funding source is there.

Mr. Miserez reported that there were seven respondents to the RFP, five of which were regional planning commissions, and referenced the synopsis of the respondents that was covered in the materials distributed in advance of the meeting.

Mr. Miserez reviewed the recommendation of the Program with the following six steps:

1. Board authorization of the \$2 million grant(s) to fund the loan pool(s).
2. Finalization and release of the loan application statewide soliciting applications.
3. Receipt of applications to DED and MDFB.
4. Selection of applications for loan approval by DED and MDFB.
5. Approval of service providers by DED and MDFB, and MDFB entering into Micro Loan/Grant service agreements with these providers.
6. Determination of amounts and disbursement of Board grant proceeds to the providers so they may begin originating loans.

Secretary Neff asked if this was a one-time request of funding. Chair Martínez responded that as far as she was aware, it was a one-time proposal.

Secretary Neff questioned the feasibility of hiring a Board employee to administer the program as the administrative fees quoted from the RFP respondents seemed quite large. Chair Martínez responded that a comparison could be done on the total cost versus having some of it staffed in-house.

Lt. Governor Kinder thanked the Finance Committee for doing due diligence on the request and commented that the Finance Committee's report had rest any concerns about the Board's financial position to do the program.

Lt. Governor Kinder commented that he had been in conversations with Member Eckelkamp, and his experience in lending, as to how the program would be regarded — as a loan or a grant.

Lt. Governor Kinder referenced an article in the Springfield Business Journal indicating one small business owner's perception of the program and how he thought the \$25,000 amount was meager. Lt. Governor Kinder noted that the \$2 million program at \$25,000 per loan equals approximately 80 loans in a state of 5.8 million people. Lt. Governor Kinder stated he would be voting no.

Member Proctor commented that she also heard comments that the \$25,000 is low.

Member May indicated he would like to make a motion to proceed with the Program and commented that he believes there are loan applications and various due diligence requirements, and that he respectfully disagreed with Lt. Governor Kinder. Member May made a motion to proceed with the Program.

Chair Martínez thanked Member May for the motion and asked for a second to the motion. Member Carmichael seconded the motion.

Secretary Neff commented that he did not have a problem with setting aside \$2 million for the small business loans, but that he did not think it should be tied to \$25,000 per loan.

Lt. Governor Kinder commented that in doing his own due diligence, these loans are going to be very difficult to manage and will require lots of time and resources. In his conversations with various bankers throughout the state, many of them mentioned that it is duplicative of the Small Business Administration loan program.

Director Hagler commented that his organization has quite a bit of experience in small loans throughout the state and all kinds of areas, and that they have a very low default rate. He stated that administration of the program is the key.

Chair Martínez reported that the loans would be an amount up to \$25,000 and commented on the demand and the interest that is being expressed at the Department of Economic Development and the hundreds of people that have expressed interest. Chair Martínez referenced the entrepreneur's spirit the state has and that people are having trouble obtaining small loans and that the program could help catalyze their opportunities and ability to move forward.

Wayne Mosher, President of Midwest Ranger Incorporated, commented to the Board how the program and loan would benefit his business, and how \$25,000 would make a big difference, but that we need to act quickly.

Member Carmichael commented that she understands the risks involved with the program, but that this is a very small amount and the risk might be worth taking.

Member May commented on the appearance of reluctance on the part of the bankers that make these types of loans and the reason why we need such a loan program.

Treasurer Mehner asked for clarification on the motion. Member May responded that it was his understanding the recommendation consisted of the six steps

referenced in the Board cover memo. Member May's motion was to follow the staff recommendation on Page 2 of the cover memo — those six steps.

Mr. Miserez asked that the recommendation be put in the form of a motion to approve Step 1 and the authorization of the \$2 million, and then also the authorization to proceed with the subsequent steps set forth to come back to the Board at a subsequent meeting with a report on those results.

Member May clarified that his motion was for authorization of the \$2 million, for staff to produce the loan application, release the loan applications statewide, solicit applications, receipt of applications to the DED and MDFB, and just go through the process — to adopt the recommendation on Page 2 — the six steps.

David Queen, Board Counsel, commented that Step 5 of the recommendation, the signing of contracts, would have to come back before the Board.

Chair Martínez asked if there were any further conversations. With the motion on the floor and seconded to adopt the recommendation of the six steps as outlined on Page 2 of the Board's cover memo, the following vote was recorded:

Aye: Neff, Mehner, Proctor, May, Carmichael, Hagler and Martínez

Nay: Kinder

Absent: Starr, Eckelkamp and Templeton

Chair Martínez declared the motion passed.

VIII. New Business

A. DREAM Initiative Kimberly Martin/Robert V. Miserez

Kimberly Martin gave a brief presentation on the DREAM Initiative and update on the progress to date. Ms. Martin referenced the 30 communities that have received DREAM designation since the program's inception in 2006.

Ms. Martin reviewed the Scope of Services. Member Neff asked for an update of what has been done in each of the designated communities to date. Ms. Martin responded that she would have that available at the next meeting.

Ms. Martin continued and reported that the 2006 communities are either all in or entering the strategic planning phase, which is the final phase of planning services that is being given to them by PGAV, the consultant. The 2007 communities are all deep in the planning phases with PGAV, and the 2008 designated community contracts were signed in December and January.

Ms. Martin reviewed the DREAM budget from the previous years and the proposed budget for 2009 should the Board authorize the continuation of the program.

Mr. Miserez stated the recommendation would be to authorize the continuation of the program for a fourth round of up to 10 communities.

Secretary Neff made a motion to authorize a 2009 DREAM round with the selection of up to 10 communities and commensurate funding for the approximately three year program cycle for these 2009 selectees as set forth on the budget materials. Lt. Governor Kinder seconded the motion. The following vote was recorded:

Aye: Neff, Mehner, Proctor, May, Carmichael, Kinder, Hagler and Martínez

Nay: None

Absent: Starr, Eckelkamp and Templeton

Chair Martínez declared the motion passed.

B. Missouri Agricultural and Small Business Development Authority (“MASBDA”) Tony Stafford

Tony Stafford gave a PowerPoint presentation on the Missouri Ag and Small Business Development Authority (“MASBDA”) and that their purpose is to provide financing and interest rates that are hopefully below the conventional rates to help Missouri producers.

Mr. Stafford discussed in detail the various programs the authority administers.

Lt. Governor Kinder questioned if they have collateral for the loan programs — for example, the Family Farm Breeding Livestock Loan Program. Mr. Stafford responded that the bank would have the collateral. Mr. Stafford also commented that they did security on the Alternative Loan and Animal Waste Loan, which are direct loans.

Lt. Governor Kinder questioned if something like that was contemplated for our loan program or are we going to be uncollateralized. Chair Martínez responded that per the documentation and the prior presentation, it was that there will be a subordinate loan, collateral position if any.

Chair Martínez thanked Mr. Stafford for his presentation.

C. Legislation Update

This item was tabled for discussion at a later date.

IX. Executive Director's Report

Robert V. Miserez

Mr. Miserez referenced the draft memo regarding the US Custom House and Old Post Office and requested that Board members review the information in anticipation of the item being placed on the May meeting agenda with a recommendation regarding the financing structure of the project.

Mr. Miserez stated that the three cabinet directors were going to be out of the state on May 19, 2009 and was requesting consideration of another date for the May meeting. Mr. Miserez indicated that a polling of the Board members would be conducted to check their availability for a May 21, 2009 Board meeting.

Mr. Miserez reminded the Board members that the Missouri Ethics Commission Personal Financial Disclosure Statements would need to be filed by 5:00 p.m. May 1, 2009.

Secretary Neff commented that he would like to see some of the Board meetings held in various communities throughout the state and to visit some of the projects the Board has approved.

X. Adjournment

There being no further business before the Board, it was consensus to adjourn the meeting. The meeting was adjourned.

[Secretary Neff's Signature]