

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

MAY 17, 2010

The Missouri Development Finance Board met in regular session on Monday, May 17, 2010, beginning at 10:30 a.m. 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	Present
Larry D. Neff	Secretary and Member	Absent
John E. Mehner	Treasurer and Member	Present*
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

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

Board Counsel: James Caldwell

Others Present: Vincent Anch and Al Tunis, Metropolitan Community College-Kansas City; Ed Perry* and Wayne Spinei*, IBM Corporation; Kim Young*, Missouri Partnership; and Julie Murphy-Finn and Sallie Hemenway*, Missouri Department of Economic Development

I. Secretary's Report

Assistant Secretary Miserez

Mr. Miserez presented for approval the minutes from the March 16, 2010 meeting. The minutes were included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, staff recommended that the Secretary's Report be accepted as presented. Director Hagler made a motion to approve the minutes as presented. Member May seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Neff

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 eight months ended February 28, 2010. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Treasurer Mehner made a motion to approve the Treasurer's Report as presented. Director Kerr seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Neff

Chair Carmichael declared the motion passed.

III. Department of Economic Development Report

Director Kerr

Director Kerr commented that the Department is beginning to see a turn in the economy and reported that the Department has had a series of project announcements — the Jet Midwest project in Kansas City was approved approximately one month ago and brought 500 new jobs to the area; the Governor attended the groundbreaking for DuPont Pioneer Hi-Bred's new commercial soybean seed production facility in New Madrid County in which the facility will employ approximately 25-50 new jobs, adding that the facility footprint will allow significant job growth; and an item listed on today's Board

agenda in which an announcement will be made later today pending action by the Board. Director Kerr continued reporting that two other projects had been confirmed — approximately 425 new jobs in advanced manufacturing in a rural community; and between 300-600 new high tech jobs in an urban area.

Director Kerr reported that in February and March 2010 there had been an increase in jobs created in Missouri with 7,200 new jobs created in March alone. Director Kerr reported this is the largest monthly jobs growth the State has had since 2007. Director Kerr commented the Department anticipates that the information for April, based upon preliminary reports, could be significantly larger than the March numbers.

IV. Department of Agriculture Report

Director Hagler

Director Hagler congratulated the Department of Economic Development in their efforts on two agricultural related projects — Soy Labs in Mexico, Missouri and the Pioneer Hi-Bred project in New Madrid County.

Director Hagler reported that as the Governor’s designee for the Delta Regional Authority, he has been working closely with the Department of Economic Development in creating a plan to increase development in rural communities in the Delta region. Director Hagler also reported that the Department in the upcoming week will be announcing a major energy grant for rural communities.

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 the 2010 Legislative Session had ended on Friday and that the economic development bill did not pass during session. Lt. Governor Kinder gave an update on the Tour of Missouri Bicycle Race and commented that due to the budget and economic challenges, the race most likely will not occur this year.

VII. Old Business

A. Metropolitan Community College — Penn Valley Health Science Institute — Amendment to Tax Credit Agreement

Krystal Davis

Vincent Anch, Director of the Metropolitan Community College Foundation, gave a brief update on the project and reported that the Metropolitan Community College (“MCC”) is well ahead of schedule with approximately 85% of the Penn Valley Health Science Institute (“HSI”) complete.

Mr. Anch reported the project had progressed enough that in January 2010 they were able to hold the ribbon cutting ceremony and take on additional students — the HSI had projected to add 300 new students in year 2010, with the anticipation of adding 50 new students in the spring semester. Mr. Anch reported there have been more than 130 new students enrolled for the spring semester and they expect to exceed the projected 300 for the year. Most of the students are from the Certified Nursing Assistant Program and MCC anticipates a 92% hiring ratio for graduates.

Mr. Anch commented that MCC has received national attention for the HSI; the building has received LEED silver certification and attention for the unique technology the HSI has for packaging 16 nursing and allied health programs in one building. Mr. Anch reported that the project has received a notable amount of media attention from television and newspapers. One of the highlights was from the Kansas City Business Journal which chose the project as one of the top 10 real estate projects in Kansas City for the year. Mr. Anch played a news clip from Fox Channel 4 News that gave a synopsis of the HSI. Mr. Anch continued reporting on the successes of the MCC and HSI. Mr. Anch thanked the Board and staff for their efforts and continued support, and was available for questions.

Director Hagler questioned if the reallocation of the 2009 credits would impact the calendar year 2010 authorization cap. Chair Carmichael responded that the reallocation would not impact the calendar 2010 tax credit allocation.

Ms. Davis commented that the timing of the approval of this project came through a period of transition for tax credits and the Board — HB191 was passed in 2009 and revised the way the Board approves tax credit projects from an emphasis of credits issued to an emphasis of credits authorized in a given calendar year. Ms. Davis reported that the HSI Tax Credit Agreement was more restrictive than what was required by legislation and that the Board has the option to remove the references to calendar year allocations by amending the HSI Tax Credit Agreement. Amending the tax credit agreement would allow HSI to seek donations for the unused portion of tax credits without impacting the calendar year 2010 authorization cap under the new legislative rules.

Director Hagler made a motion to approve the request to amend the Tax Credit Agreement to remove the Board imposed calendar year restrictions for the Metropolitan Community College — Penn Valley Health Science Institute project as presented. Member Martin seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Neff

Chair Carmichael declared the motion passed.

VIII. New Business

A. International Business Machines Corporation BUILD Application Mike Golden Preliminary Resolution

Mr. Golden presented the application from the International Business Machines Corporation (“IBM”) for Missouri BUILD Bonds in an amount not to exceed \$8,878,000. Mr. Golden reported that the IBM project consists of a significant upgrade to Class A office space and furnishing of a vacant 97,000 square foot facility in Columbia, Missouri. Proceeds will be used to purchase machinery, equipment and provide funds for lease payments on the facility upgrade. Mr. Golden noted that the project would create 600+ new jobs as information technology consultants with an intention of occupying the building this fall.

Director Kerr commented that the project has been a total collaboration between IBM, the City, the County and the State and they appreciate the Company selecting Columbia, Missouri after a national site-selection process.

Ed Perry, IBM Director of Governmental Programs, noted that the project was very competitive from an IBM point of view in that existing IBM locations competed very actively and the Company researched locations across the United States. Mr. Perry gave a brief history of the Company and stated this facility will be an international delivery center supporting IBM Corporation customers globally. Mr. Perry commented that the future of the IBM Corporation is being able to support other companies and customers’ IT and technology needs and that IBM is very excited about the State of Missouri and the City of Columbia location. Mr. Perry thanked Director Kerr, Kim Young, and the entire team for responding in a very constructive and responsible manner. Mr. Perry was available for questions.

Director Kerr commented that workforce is a critical issue in this particular project from an IBM perspective — the commitment made in terms of training and retraining from all area colleges and universities was a significant factor in terms of Missouri being able to meet the needs of IBM for the project.

Member Martin requested the number of jobs created with degrees in computer science and information systems versus the number of technicians. Mr. Perry responded that 90% of the workforce hired for this facility will most likely come from Columbia and commuting distances within central Missouri. Mr. Perry estimated approximately two-thirds of the workforce will most likely have four-year degrees with the other one-third having associates degrees. Mr. Perry commented that one of the greatest selling points to locate in Columbia is the

great partnership IBM can have with the technical schools, community colleges and universities in the area, as one of the critical points of the project is having enough skilled workers in the area.

Mr. Martin questioned if the facility would be the only facility in North America. Mr. Perry responded that the facility would be one of two in North America at this time.

Director Kerr made a motion to approve the following Resolution of Intent:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING A PROJECT FOR INTERNATIONAL
BUSINESS MACHINES CORPORATION, AND DETERMINING THE
INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE
BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$8,878,000
TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.**

Vice Chairman Starr seconded the motion. The following roll call vote was recorded:

- Aye: Starr, Mehner, Eckelkamp, Proctor, May, Martin, Kinder, Kerr, Hagler, Templeton and Carmichael
- Nay: None
- Absent: Neff

Chair Carmichael declared the motion passed and offered her congratulations to all those involved for their persistence and dedication to the project.

IX. Executive Director’s Report

Mr. Miserez reported that the Seventh Street Garage project closed on April 29th and 30th and a synopsis of the final financing for the project will be presented at the June Board meeting.

Mr. Miserez announced that staff will begin working on the logistics of the annual Board Retreat and asked the Board members to review their schedule for their availability in September and October.

Member Martin asked for a status on the Small Business Loan Program. Ms. Barney responded there is approximately \$800,000 remaining in the program. Chair Carmichael commented that advertising has been done to reach those businesses/individuals that are not aware of the program and could benefit from it. Director Kerr thanked Chair Carmichael and the Board for their assistance with outreach funding and promoting the program.

X. Adjournment

There being no further business before the Board, Vice Chairman Starr made a motion to adjourn the meeting. Director Kerr seconded the motion. The following roll call vote was recorded:

Aye: Starr, Mehner, Eckelkamp, Proctor, May, Martin, Kerr, Hagler, Templeton and Carmichael

Nay: None

Absent: Neff and Kinder

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

[Assistant Secretary Miserez's Signature]