

CHAIRMAN:
PETER D. KINDER
LIEUTENANT GOVERNOR

MEMBERS:
JOHN D. STARR
LARRY NEFF
NELSON C. GRUMNEY, JR
ELIZABETH T. SOLBERG
PAUL S. LINDSEY
RICHARD J. WILSON
JAMES D. HILL
L. B. ECKELKAMP, JR
TROY L. WILSON



EX-OFFICIO MEMBERS:
GREGORY A. STEINHOFF
DIRECTOR,
ECONOMIC DEVELOPMENT

FRED FERRELL
DIRECTOR, AGRICULTURE

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ

MISSOURI DEVELOPMENT FINANCE BOARD

MINUTES

MISSOURI DEVELOPMENT FINANCE BOARD

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

APRIL 18, 2006

The Missouri Development Finance Board met in regular session on Tuesday, April 18, 2006, beginning at 10 a.m.

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

Peter D. Kinder	Lieutenant Governor and Chairman	Present
John D. Starr	Vice Chairman and Member	Present
Larry D. Neff	Secretary and Member	Present
Nelson C. Grumney, Jr.	Treasurer and Member	Present*
Elizabeth T. Solberg	Member	Present
James D. Hill	Member	Present
Paul S. Lindsey	Member	Present
Richard J. Wilson	Member	Present
L. B. Eckelkamp, Jr.	Member	Present
Troy L. Wilson	Member	Present
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Absent
Fred Ferrell	Director, Dept. of Agriculture and Member	Present
Robert V. Miserez	Executive Director and Assistant Secretary	Present

*Participated via telephone conference call.

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

Board Staff: Pamela Hill, Kathleen Barney, Tonya Loucks, Krystal Sabartinelli and Valerie Haller

Board Counsel: David Queen

Others Present: Ben Jones, Lt. Governor's Office; James Robertson, Patrick Earl, Gib Garrow and Rudy Farber, City of Neosho; Dalton Wright, Rep. David Pearce and Sharon Gulick, Missouri Military Preparedness & Enhancement Commission; Brad Toft, Ozarks YMCA; and Karie Myers and Deanna Mueller, UMB Bank

To accommodate visitors representing specific requests, the agenda for the meeting was rearranged as follows.

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the March 21, 2006, meeting. Copies of the minutes, included in the Board packet, were provided to the members for their review. There being no questions, corrections or additions, Secretary Neff made a motion to approve the minutes as presented. Member Solberg seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

VI. Old Business

- A. MO Military Preparedness & Enhancement Comm. Robert Miserez
Base Realignment and Closure Commission ("BRAC") Update

Mr. Miserez reported that Dalton Wright, Rep. David Pearce and Sharon Gulick, representatives from the Missouri Military Preparedness and Enhancement Commission ("MMPEC"), were present to give a BRAC update. Mr. Miserez reported that the Board has intermittently assisted in the funding of the State's activities related to BRAC retention and enhancement efforts since 1995.

Mr. Wright, Chairman of the MMPEC, gave an update on the Commission's activities in reference to BRAC and the importance of retaining and enhancing military presence in Missouri. Rep. David Pearce, Vice Chairman of the MMPEC, explained the duties and background of the Commission. Both gentlemen were available for questions.

Member Lindsey asked if it was appropriate for the Commission to present a written proposal to the Board and/or DED for future capital requests. Mr. Wright responded that the Commission certainly could do a formal request in the future, if needed.

Treasurer Grumney asked what process could have been done to avoid losing the Army Records Center and the 2,200 jobs associated with the Center, and also what would happen to the building itself. Mr. Wright responded that the arguments to not move the Center were compelling and that the cost to move it

will be astronomical. Mr. Wright stated the Commission will research other states' successes to transfer methods and procedures applicable to improve Missouri's efforts. Ms. Sharon Gulick responded that the building would need to be offered to a governmental entity first at a reasonable or discounted price, and then if no governmental entity wishes to purchase, it would be put up for sale.

II. Treasurer's Report Treasurer Grumney

Treasurer Grumney stated the Board should see a draft budget for FY07 at the May meeting and congratulated the Accounting staff for obtaining the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Treasurer Grumney presented for approval the treasurer's report as of and for the eight months ended February 28, 2006. There being no questions or additions, Treasurer Grumney made a motion to approve the treasurer's report as submitted. Member R. Wilson seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

III. Department of Economic Development Report Director Steinhoff

Director Steinhoff was attending a legislative committee hearing and was unavailable to give a report.

V. Lieutenant Governor's Report Lt. Governor Kinder

Chairman Kinder reported on his March 31 trip to New York with the St. Louis Symphony with a discussion of the companies he was able to meet with. Chairman Kinder also reported on the traveling he has been doing throughout the State to promote the Governor's Lewis & Clark Discovery Initiative.

IV. Department of Agriculture Report Director Ferrell

Director Ferrell reported on the Department's work on odor abatement and the initiative with the animal agriculture industry in Missouri. He discussed the county health ordinances and the county health boards and their impact on agricultural operations in the State.

Director Ferrell discussed the BIO 2006 Conference that was held April 10-12 in Chicago, IL. He further reported on the potential impact avian flu could have in Missouri if it occurs.

Director Ferrell continued by reporting on cattle rustling in Missouri. The Department has created a training process initiative, with the help of the Governor and Missouri Highway Patrol, of how to detect a cattle rustling event.

Director Ferrell reported he is serving on a task force advising the federal government how to write the farm bill. He also reported that the farmers are generally optimistic although somewhat concerned about high fertilizer prices resulting from high petroleum prices.

VI. Old Business (cont'd)

B. Drumm Farm Institute, City of Independence Kathleen Barney
Infrastructure Bond Issue

Ms. Barney reported on the final authorizing resolution for the City of Independence — Drumm Farm project for the issuance of one or more series of Bonds in an amount not to exceed \$3,970,000. The Drumm Farm project is a residential and golf course project. In January 2005 the Board adopted a Resolution of Intent for up to \$5 million of Bonds. The series of Bonds issued in 2005 was \$1,030,000. The City of Independence pledged its annual appropriation to repay the bonds and the Board will have no liability. Staff recommended approval of the resolution.

Secretary Neff made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF INFRASTRUCTURE FACILITIES REVENUE BONDS FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$3,970,000, TO PROVIDE FUNDS TO BE LOANED TO THE CITY OF INDEPENDENCE, MISSOURI; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Member Hill seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

VII. New Business

- A. City of Neosho Airport Terminal Pamela Hill
Tax Credit for Contribution Application

Ms. Hill presented the tax credit for contribution application from the City of Neosho for the benefit of the Hugh Robinson Municipal Airport Terminal to authorize \$276,850 in credits to leverage up to \$553,700 in contributions. Ms. Hill explained that the project budget is \$738,750 and would be used for construction of a new 3,200-square foot airport terminal to replace the existing 1968 airport terminal. Staff recommended approval of the application. Ms. Hill introduced Mr. Gib Garrow, Director of Economic Development for the City of Neosho.

Mr. Garrow thanked the Board for its assistance with the Neosho community on previous projects and gave a brief report of the progress in the City of Neosho. Mr. Garrow introduced Mr. James Robertson, Vice President of Premier Turbines.

Mr. Robertson gave a brief overview of Premier Turbines and explained the opportunity to attract more jobs to the area. Mr. Patrick Earl with Kelner Turbines reiterated the importance of the new airport terminal for the city and customers of the terminal.

Member Hill made a motion to authorize \$276,850 in credits to leverage up to \$553,700 in contributions in CY2006. Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

- B. Ozarks YMCA Kathleen Barney
Recreational Facilities Revenue Bonds

Ms. Barney presented the recreational facilities tax-exempt bonds application from the Ozarks Regional YMCA. The YMCA asked the Board to issue bonds to construct new facilities in Hollister and Bolivar and to renovate the Southside Pat Jones YMCA in Springfield. The Board was asked to authorize a Resolution of Intent for \$18 million and a Final Authorizing Resolution for \$15 million. Ms. Barney explained there is the possibility to construct a new facility in Monett

in the future and that cost was included in the Resolution of Intent. Costs for the Monett building were not available at the time. The project is a private placement conduit bond issue with a wholly-owned subsidiary of Commerce Bank buying the bonds and the YMCA is solely responsible for repayment. Staff recommended approval of the resolutions. Ms. Barney introduced Mr. Brad Toft, CEO of the Ozarks Regional YMCA.

Mr. Toft reported the YMCA has had a great period of growth in the last five years and gave a brief history of the YMCA. Mr. Toft was available for questions.

Secretary Neff made a motion to adopt the following resolutions:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD OF THE STATE OF MISSOURI APPROVING A PROJECT FOR THE OZARKS REGIONAL YMCA, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS RECREATIONAL FACILITIES REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$18,000,000 TO FINANCE THE COSTS OF SUCH PROJECT.

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS RECREATIONAL FACILITIES ADJUSTABLE RATE REVENUE BONDS (OZARKS REGIONAL YMCA PROJECTS) SERIES 2006 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR THE PURPOSE OF MAKING A LOAN TO THE OZARKS REGIONAL YMCA TO PROVIDE FUNDS TO FINANCE, REFINANCE AND REIMBURSE THE COSTS OF CERTAIN RECREATIONAL FACILITIES OF THE OZARKS REGIONAL YMCA; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

- C. Resolution to Add Officers/Staff to Pamela Hill
Depository Accounts and Investment Policy

Ms. Hill reported that with the change in Board officers it was necessary to revise the signors on the depository accounts and investment authorization resolution. It was requested for approval that the Assistant Director and Controller be added as a signor on the checking accounts, and that Chairman Kinder be added as an authorized check signor and an authorized signor for depository accounts and investment products.

Secretary Neff made a motion to approve the request as presented. Member T. Wilson seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

D. City of Van Buren Krystal Sabartinelli
MIDOC Loan

Ms. Sabartinelli presented the MIDOC Infrastructure Loan application for the City of Van Buren in an amount of \$375,000. The City requested interim financing for water and sewer improvements. The City has received funding from the USDA and through the Missouri Community Development Block Grant program with funds being available in fall 2006. However, due to MoDOT improvements to Highway 60, the City needs to place the borings and install steel casings before the construction takes place on Highway 60.

Ms. Sabartinelli reported the loan request was more than the Board’s \$100,000 loan limit, but Board funds were available at the time. Staff recommended approval of the application.

Secretary Neff made a motion to approve the request from the City of Van Buren for a \$375,000, 3% loan, principal and interest due within one year of close or three months after completion, whichever occurs first. Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

E. Conduit Revenue Bond Fee Review

Robert Miserez

Mr. Miserez reported on the Board's conduit revenue bond programs and new proposed fee schedule for the bond programs. Mr. Miserez noted the new proposed fee schedule would include a fee reduction and cap for each of the Board's bond programs. This would help market the programs and better compete with the local industrial development authorities and local municipalities that are authorized to issue the same type bonds throughout the state. Mr. Miserez reported that except for a few issuers in the Kansas City and St. Louis metro areas, most local issuers charged a flat fee ranging from \$500 to \$2,000 for private activity bonds and local governments did not charge any fees to themselves for public infrastructure bonds.

After discussion it was agreed to approve the new fee schedule as presented. Secretary Neff made a motion to approve as submitted. Chairman Kinder seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

F. Private Activity Revenue Bond
Tax Abatement Policy Consideration

Robert Miserez

Mr. Miserez presented a policy proposal requesting the Board discuss and consider its interest in providing real and personal property tax abatements for private companies on major projects. Mr. Miserez explained that should the Board proceed with this policy on tax abatement, the City requesting such assistance would need to pass a resolution requesting MDFB provide this abatement. The Board also would recommend we notify all taxing jurisdictions affected, hold a public hearing, and require a cost benefit analysis.

Staff recommended that tax abatement be offered to cities on a limited basis. Participation would be limited to large-scale projects that meet one of two criteria: (1) investments of over \$25 million and/or (2) serve businesses with over 500 jobs at the facility or over 1,000 jobs in the State, which would limit the use of this service, but would support the mission of DED and economic development within the State.

After further discussion, Secretary Neff made a motion to approve the policy as presented. Member T. Wilson seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

CLOSED SESSION

Vice Chairman Starr made a motion to move the meeting into closed session pursuant to Section 610.021(1) of the Missouri Revised Statutes for the purpose of discussing 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 Eckelkamp seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

Upon completion of discussion, Vice Chairman Starr made a motion to move the meeting back into open session. Secretary Neff seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

OPEN SESSION

The Board returned to open session.

VIII. Miscellaneous

Robert V. Miserez

Mr. Miserez reported that a discussion may be held at the May meeting regarding the Board's Tax Credit for Contribution program. He also reminded the members of the upcoming MDFB Annual Retreat.

IX. Adjournment

There being no further business, Secretary Neff motioned to adjourn the meeting. Member Solberg seconded the motion. The meeting was adjourned.

[Secretary Neff's Signature]