

Minutes
Missouri Development Finance Board
Harry S Truman State Office Building, Room 750
301 W. High Street
Jefferson City, Missouri

April 20, 2004

The Missouri Development Finance Board met in regular session via telephone conference call, on Tuesday April 20, 2004 beginning at 10:00 a.m. The conference call originated from the Harry S Truman State Office Building, Room 750, 301 W. High Street, Jefferson City, Missouri.

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

Elizabeth Solberg	Chair & Member	Present*
John D. Starr	Vice Chairman & Member	Present*
Susan Lauman Constance	Secretary & Member	Present*
Bill M. Burch	Treasurer & Member	Present*
Paul S. Lindsey	Member	Absent
James O'Mara	Member	Present*
Larry D. Neff	Member	Present*
Richard J. Wilson	Member	Present
Nelson C. Grumney, Jr.	Member	Absent
Joe Maxwell	Lieutenant Governor & Member	Present*
Kelvin L. Simmons	Dir., Dept of Econ. Dev. & Member	Present
Peter Hofherr	Dir., Dept of Agriculture & Member	Present
Robert V. Miserez	Executive Director & Assistant Secretary	Present

*Members participating by telephone conference call.

Chair Solberg declared that a quorum was present and called the meeting to order. In addition to the above, those in attendance included: David Queen, Board counsel; Ashley Weaver, Kathleen Barney, Pamela Hill, Jonathan Brightwell and Pam Campbell, Board staff; Julie Gibson, Lt. Governor Joe Maxwell's office; David Seamon and Terry Maglich, Department of Economic Development; Bob Langenkamp, Jim Glover, Cris Medina, Olivia Lopez, Lolly Garcia and Bernardo Ramirez, representing the Guadalupe Center; Albert DeRitis, Steve Lewis, Jim Mello and Kathy Padfield, representing the Centocor Biologics, LLC project; Drew Schauffler, Hendren & Andrae Law Firm, representing the Branson Landing project; Dan Morrissey, American Airlines; Karie Myers and Anne Sunderland, UMB Bank.

I. Secretary's Report

Secretary Constance

Secretary Constance presented for approval, the minutes from the March 16, 2004 meeting. Copies of the minutes, included in the Board packets, were provided to the members for their review. There being no questions, corrections or additions, Secretary Constance made a motion to approve the minutes as presented. Member Neff seconded the motion. The following roll call vote was recorded:

Aye-- Solberg
Aye-- Starr
Aye-- Constance
Aye-- Burch
Aye-- O'Mara
Aye-- Neff
Aye-- Wilson
Aye-- Simmons
Aye-- Hofherr

Nay-- None

Absent-- Lindsey, Grumney and Maxwell.

Chair Solberg declared the motion passed.

II. Treasurer's Report

Treasurer Burch

Treasurer Burch presented for approval the treasurer's report as of and for the month ending March 31, 2004. Copies of the treasurer's report, included in the Board packets, were provided to the members for their review. There being no questions, corrections or additions, Member Burch made a motion to approve the treasurer's report as submitted. Member O'Mara seconded the motion. The following call vote was recorded:

Aye-- Solberg
Aye-- Starr
Aye-- Constance
Aye-- Burch
Aye-- O'Mara
Aye-- Neff
Aye-- Wilson
Aye-- Simmons
Aye-- Hofherr

Nay-- None

Absent-- Lindsey, Grumney and Maxwell.

Chair Solberg declared the motion passed.

III. Department of Economic Development Report Director Simmons

Director Simmons began by reporting that in 2001 the States GSP (“Gross State Product”) total over \$181 billion, which placed Missouri as the 19th largest economy in the nation. During 2002 the States GSP totaled over \$189 billion, which reflected a 2.4% growth. The GSP figures for 2003 will be released within the next week. The 2003 figures should indicate continued growth.

Director Simmons further reported that the PMI (“Purchasing Managers Index”) continues to be over 50. In March the PMI was at 67.9%, which is the highest level recorded since October 1994. The number of new businesses in Missouri reached a new high with 2318 startups. The State continues to have a record number of new startup businesses.

Director Simmons concluded by reporting that exports in the State continue to increase. The State is now at \$7.2 billion in exports. Canada and Mexico continue to be the States top trading partners. Job growth continues to be on the rise outpacing surrounding states.

IV. Department of Agriculture Report Director Hofherr

Director Hofherr began by reporting that all of the commodity groups in agriculture are reporting higher prices. The increase is attributed to the growing demand of the middle class worldwide and China’s economic conditions affecting some of the supply and demand with agricultural production. Missouri is well positioned to take advantage of the commodity groups supply and demand.

Director Hofherr reported that the nice weather has allowed producers the opportunity to get their crops planted. Over 90% of the corn crops and 50% of the rice crops in the bootheel region have been planted. Missouri has over 200,000 acres of rice and 400,000 acres of cotton planted in the bootheel region.

Director Hofherr concluded by reporting that the European Union is now accepting some of the GMO (“Genetically Modified Organisms”) products. The moratorium that has been in place for several years is coming to an end, which looks positive for Missouri grains.

V. Lieutenant Governor’s Report Lt. Governor Maxwell

The Lieutenant Governor’s report was delayed pending his arrival.

Member Maxwell joined the call.

VI. Old Business

- A. Guadalupe Center, Kansas City Kathleen Barney
Contribution Tax Credit Application

Ms. Barney began by reporting that the City of Kansas City submitted a new application for contribution tax credits to benefit the Guadalupe Center, Inc. (“GCI”), a Missouri 501(c)(3) nonprofit corporation culinary arts center located at 1015 Avenida Cesar E. Chavez Boulevard. The application represents Phase II of GCI’s construction of a new 17,464 sq. ft. facility to house administrative offices, the culinary arts training program, recreation, education and common rooms and a performing arts and cultural heritage center. Construction and equipment costs totaled \$6.8 million. GCI focuses on developing services and programs that protect and foster the Latino community in the greater Kansas City metro area.

GCI’s Phase II for exterior improvements consist of the following:

Total Project Costs: \$811,000

Contributions to the Board: \$567,000

Tax Credit Request: \$283,500

Project Description: Construction of a security carport/festival booth colonnade on the existing parking lot east of the facility and of an exterior covered performing arts platform. The performing arts platform will be cantilevered and suspended on the façade of the west building.

Ms. Barney concluded by reporting that as this expenditure does not provide significant economic impact or return to the State, the staff cannot recommend approval. The economic impact study submitted with the second application actually relates to the first tax credit application for constructing and equipping the culinary arts training facility. Costs for Phase II, and projected benefits, were not included in that study.

Ms. Barney referred the members to the Board packet for additional information about the project.

Mr. Bob Langenkamp and Jim Glover, City of Kansas City, Missouri, Cris Medina, Bernardo Ramirez, Lolly Garcia and Olivia Lopez, Guadalupe Center, Inc., was present at the offices of Gilmore and Bell, Kansas City, to answer any questions regarding the project.

Following discussion, Member Maxwell made a motion to approve Guadalupe's request for the issuance of \$283,500 in tax credits to leverage \$567,000 in contributions to be used for the project as described in the application. The tax credits would be issued in 2004. Member Starr seconded the motion. The following roll call vote was recorded:

Aye: Starr
Aye: Simmons
Aye: Hofherr
Aye: Maxwell

Nay: Solberg
Nay: Burch
Nay: Constance
Nay: O'Mara
Nay: Neff
Nay: Wilson

Absent: Lindsey and Grumney.

Chair Solberg declared that the motion failed.

Chair Solberg thanked the representatives for their attendance.

Members Burch and Neff left the call.

- B. City of Independence Ashley Weaver
Truman Memorial Building Project
Infrastructure Facilities Revenue Bonds
Authorizing Resolution in an amount not to exceed \$1,300,000

Ms. Weaver began by reporting that the request is for a bond refunding (refinancing) of an outstanding bond issuance—City of Independence (Truman Memorial Building Project), Series 2001. The bonds mature on June 1, 2004.

Ms. Weaver reported that the refinancing is being requested as part of the City's continuing work to redevelop the area near the Truman Memorial Building. The City plans to utilize the sales tax generated from the park programs to cover debt service of this project and to fund the additional work.

She further reported that the City is working with the school district to convert a portion of a building, which is located across the street from the Truman Memorial Building, into a senior citizens' nutrition and activity center. The school district's administrative offices will also be located in this building.

Ms. Weaver referred the members to the Board packet for additional information about the project. She concluded by recommending the adoption of an authorizing resolution.

Following discussion, Member Constance made a motion to adopt the following authorizing resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS (CITY OF INDEPENDENCE, MISSOURI – TRUMAN MEMORIAL BUILDING PROJECT), SERIES 2004, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$1,300,000, 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 Wilson seconded the motion. The following roll call vote was recorded:

- Aye: Solberg
- Aye: Starr
- Aye: Constance
- Aye: O'Mara
- Aye : Wilson
- Aye : Simmons
- Aye : Hofherr
- Aye : Maxwell

- Nay: None
- Absent: Burch, Lindsey, Neff and Grumney.

Chair Solberg declared the motion passed.

- C. City of Branson—Branson Landing Project Ashley Weaver
Infrastructure Facilities Revenue Bonds
Authorizing Resolution

Ms. Weaver began by reporting that the City of Branson submitted an application for the issuance of infrastructure facilities revenue bonds in an amount not to exceed \$40,000,000. Capital expenditures during 2004 and January 2005 are estimated at \$37,000,000. Among the many components of this project are;

- Infrastructure, waster, and sewer improvements
- Property acquisition
- Architercial and engineering expenses

Ms. Weaver further reported in October 2001 the Board adopted a preliminary resolution to finance the public portion of the convention center up to \$150,000,000. Currently, the Board's only outstanding bond issuance with the City of Branson is a 2003 Series with an original principal balance of \$56,290,000. The bonds were issued on January 10, 2003 to provide (1) long-term financing for the convention center real estate and (2) refinance existing City bonds.

Ms. Weaver referred the members to the Board packet for additional information about the project. She concluded by recommending the adoption of an authorizing resolution.

Following discussion, Member Maxwell made a motion to adopt the following authorizing resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS (CITY OF BRANSON, MISSOURI – BRANSON LANDING PROJECT), SERIES 2004A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$40,000,000, TO PROVIDE FUNDS TO BE MADE AVAILABLE TO THE CITY OF BRANSON, MISSOURI; APPROVING THE LEASING OF PROPERTY BY THE BOARD; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Member O'Mara seconded the motion. The following roll call vote was recorded:

Aye: Solberg
Aye: Starr
Aye: Constance
Aye: O'Mara
Aye : Wilson
Aye : Simmons
Aye : Hofherr
Aye : Maxwell

Nay: None

Absent: Burch, Lindsey, Neff and Grumney.

Chair Solberg declared the motion passed.

VII. New Business

- A. City of Independence Ashley Weaver
Infrastructure Facilities Revenue Bonds
Preliminary Resolution in an amount not to exceed \$20,000,000

Ms. Weaver began by reporting that the City of Independence submitted an application for the issuance of \$20,000,000 in infrastructure facilities revenue bonds with the proceeds to be used for improvements to the City’s water treatment and distribution system.

Ms. Weaver further reported that the improvements to the City’s water treatment and distribution systems include:

Construction of a 6-million gallon per day addition (Courtney Bend Water Plant)	\$16,997,988
Other Water Infrastructure Improvements (including modifications to a 42-million gallon per day facility)	<u>17,837,970</u>
	\$34,835,958
Cost of Issuance/Debt Service Reserve Fund	<u>3,000,000</u>
	\$37,835,958

Ms. Weaver referred the members to the Board packet for further information. She concluded by recommending the adoption of a preliminary resolution.

Following discussion, Member Constance made a motion to adopt the following preliminary resolution:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR THE CITY OF INDEPENDENCE, MISSOURI, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS INFRASTRUCTURE FACILITIES REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 TO FINANCE THE COSTS OF SUCH PROJECT.

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

- Aye: Solberg
- Aye: Starr
- Aye: Constance
- Aye: O’Mara
- Aye : Wilson
- Aye : Simmons
- Aye : Hofherr
- Aye : Maxwell

Nay: None

Absent: Burch, Lindsey, Neff and Grumney.

Chair Solberg declared the motion passed.

- B. Centocor Biologics, LLC Ashley Weaver
\$1,550,600 Missouri BUILD Bond Program
Preliminary Resolution

Ms. Weaver began by reporting that Centocor Biologics, LLC (a Pennsylvania corporation), will be the borrower. Centocor, Inc. (a Pennsylvania corporation), will guarantee the program agreement.

Representatives of the company provided a report on the project. They reported that the project would entail the acquisition of an existing biopharmaceutical manufacturing facility in St. Louis. In addition to the building acquisition, the total project costs of approximately \$45 million includes the addition and improvement of the facility and the purchase of equipment, the facility will be the facility will be the site of bulk manufacturing for biopharmaceutical drug substance for used in clinical research & development.

Ms. Weaver referred the members to the Board packet for additional information. She concluded by recommending the adoption of a preliminary resolution.

Following discussion, Member O'Mara made a motion to adopt the following preliminary resolution:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING A PROJECT FOR CENTOCOR
BIOLOGICS LLC, AND DETERMINING THE INTENT OF THE BOARD
TO ISSUE ITS BUILD MISSOURI REVENUE BONDS IN A PRINCIPAL
AMOUNT OF APPROXIMATELY \$1,550,600 TO FINANCE A PORTION
OF THE COSTS OF A PROJECT.**

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

Aye: Solberg
Aye: Starr
Aye: Constance
Aye: O'Mara
Aye : Wilson
Aye : Simmons
Aye : Hofherr
Aye : Maxwell
Nay: None

Absent: Burch, Lindsey, Neff and Grumney.

Chair Solberg declared the motion passed.

- C. DED Request for website support Robert V. Miserez
Discussion only

Mr. Miserez introduced Mr. David Seamon, Sr. Divisional Director, Business Services, Department of Economic Development.

Mr. Seamon reported that the Department of Economic Development would like for the Board to contribute \$100,000 for the purchase of a state of the art business development website that Business Services (“BS”) will use to market Missouri. The current development website is, in fact, a DED website designed to help Missourians search for governmental services. Technical business information of the kind required by site consultants and companies engaged in a national and international site search is not easily accessible.

Mr. Seamon further reported that the University of Missouri estimated the cost of a new website to be \$45,000, Missouri Enterprise estimated the cost to be \$60,000. This cost includes the initial architecture analysis, prototype design, final development and annual maintenance. The balance of the requested \$100,000 would be used for travel expenses. A second-year outlay of \$15,000 would be required to improve the Department’s sales profile.

Mr. Seamon further reported that the General Assembly has tentatively committed \$100,000 for the project.

Following discussion, Chair Solberg advised that the Board may be interested in participating in this project, but not be interested in paying for the continued maintenance.

Mr. Seamon will provide additional information to the Board at a later date.

Chair Solberg thanked Mr. Seamon for his presentation.

V. Lieutenant Governor's Report

Lt. Governor Maxwell

The Lieutenant Governor asked for his report to be delayed to the May meeting.

VIII. Miscellaneous

A. Executive Director Report

Robert V. Miserez

Mr. Miserez reported that the Old Post Office project may be brought back to the Board at the May meeting for additional Board action.

He concluded by briefly reporting on the continuing discussions with the City of Kansas City regarding the American Airlines maintenance facility.

**B. Tax Credit Status Report
Authorized Projects—not closed
Potential Projects**

FYI Only

This was included for informational purposes only.

C. Miscellaneous

FYI Only

This was included for informational purposes only.

IX. Adjournment

There being no further business to come before the members of the Board, the meeting was adjourned.

Assistant Secretary Miserez