

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

August 17, 2004

The Missouri Development Finance Board met in regular session via telephone conference call on Tuesday August 17, 2004 beginning at 10:00 a.m. The meeting was held at 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*
Bill M. Burch	Treasurer & Member	Present*
Paul S. Lindsey	Member	Present*
James O'Mara	Member	Present*
Larry D. Neff	Member	Present
Richard J. Wilson	Member	Present
Nelson C. Grumney, Jr.	Member	Present*
James D. Hill	Member	Present*
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; Kathleen Barney, Pamela Hill and Pam Campbell Board staff; Julie Gibson, Lt. Governor Joe Maxwell's office; Senator Joan Bray; Drew Schauffler, Hendren & Andrae, LLC.

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval, the minutes from the July 20, 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 Neff made a motion to approve the minutes as presented. Member Wilson seconded the motion. The following roll call vote was recorded:

Aye: Solberg, Starr, Burch, Neff, Lindsey, O'Mara, Wilson, Grumney, Hill, Simmons and Hofherr.

Nay: None

Absent: Maxwell

Chair Solberg declared the motion passed.

Member Maxwell joined the call.

II. Treasurer's Report

Treasurer Burch

Treasurer Burch presented for approval, the treasurer's report as of and for the month ending June 30, 2004. Pamela Hill noted that there was one increase adjustment of approximately \$350,000 to the construction and progress of the Kansas City Library Garage. She further noted that the year-end financials, included in the Board packet, were un-audited and that the adjustment would be made in the audited financial reports. Following discussion, Member Burch made a motion to adopt the un-audited financial statements as presented with the noted revision. Member O'Mara seconded the motion. The following roll call vote was recorded:

Aye: Solberg, Starr, Burch, Neff, Lindsey, O'Mara, Wilson, Grumney, Hill, Simmons, Hofherr and Maxwell.

Nay: None

Absent: None

Chair Solberg declared the motion passed.

III. Department of Economic Development Report Director Simmons

Director Simmons began by reporting that the Department continues to move forward with the KC Live MODESA project. Director Simmons reported that the Department is also in the process of hiring staff for the MODESA program, which was approved during the last legislative session.

Director Simmons continued reporting that the Department is moving forward with hiring staff to monitor the tax credit accountability act, which was also approved during the last legislative session.

Director Simmons further reported that the Department was finishing up a twelve-city tour that promoted the Jobs Now legislation. He concluded by reporting that the national job growth numbers were down for July and that Missouri's job growth numbers were down in July as well.

IV. Department of Agriculture Report Director Hofherr

Director Hofherr began by reporting that attendance was up at this year's State Fair and that there were a record number of youth entries in the barn events. Director Hofherr further reported that youth in agriculture, and the future leadership in agriculture, appears to be secure.

Director Hofherr concluded by inviting everyone to the State Fair.

V. Lieutenant Governor's Report Lt. Governor Maxwell

The Lieutenant Governor concurred with Director Hofherr on the success of the State Fair. He deferred the remainder of his report to the September meeting.

VI. New Business

A. City of Kansas City, Missouri Kathleen Barney
Tax Credit for Contribution Application
Harvesters-The Community Food Network

Ms. Barney began by reporting that the city of Kansas City requested that this project be removed from the agenda and moved to the September meeting for consideration.

Chair Solberg removed this action item from the agenda.

B. City of Independence
Public Entity Loan Program
Preliminary Resolution

Robert V. Miserez

Mr. Miserez began by reporting that the City of Independence submitted an application for the issuance of \$72 million in infrastructure facilities revenue bonds. The proceeds will be used to fund the partial acquisition of a City designated blighted 135 acre site, fund site preparation and installation of public infrastructure improvements. The site is on the southwest corner of I-70 and I-470 and has never been developed primarily due to its uneven topography, preponderance of rock making it costly to grade, and poor drainage. The site is currently owned by the I-70/470 Group, LLC. Mr. Miserez further reported that the group is a private, unrelated third party to the City and proposed new user described below.

Mr. Miserez continued reporting that the bond issuance requested was in three phases: Part 1--\$15 million estimated to be issued on 11/10/04; Part 2--\$32.5 million on 3/2/05; Part 3--\$17,160,000 on 6/1/05.

Mr. Miserez continued reporting that the City has been negotiating with Bass Pro Shops ('BPS') and the City reached an agreement with I-70/470 Groups to acquire, improve, and lease a 20-acre portion of the site to BPS to induce this company into building a 150,000 s.f. retail store on 17 acres with 1,200 surface parking spaces, and a three (3) acre parcel for a boat display; the City has also agreed to divert up to \$16 million in TIF captured revenues toward construction costs of the BPS facilities. Up to five (5) acres will be granted to BPS to build an upscale, outdoors-themed hotel of at least 150 rooms. Plans also call for the development of an additional approximately 300,000 s.f. for lease to compatible retail businesses unrelated to BPS but building within BPS-directed architectural themes. Mr. Miserez further reported that the total development consists of seven (7) components, including the above.

Mr. Miserez continued reporting that the Executive Summary included in the Board packet, also details the public and private construction, and private lease-up schedules. Public improvements are scheduled to be completed by March 1, 2006 to coincide with the opening of the BPS store. The Developer is obligated to have at least 200,000 s.f. of other retail space leased up by May 1, 2006. Mr. Miserez further reported that if this schedule is not met the City may require they retain a national leasing firm to assist in the leasing of space, and if failure continues for three (3) more months, to replace the Developer. To further secure that the leasing schedule is met, the City will be the beneficiary of a deed of trust on the land it will retain to secure a promissory note from the Developer both have mutually agreed is valued at \$20 million.

Mr. Miserez continued reporting that the Board issued bonds will be secured by lease payments from BPS, a pledge of local and state TIF revenues and Transportation Development District sales tax revenues projected to be generated from the project (formal approval for the state TIF is in process but not complete at this time), deed of trust on the land, and in the event of shortfalls in the above an annual appropriation pledge from the City to fund shortfalls. It is this appropriation pledge that ultimately secures and makes these bonds marketable.

Mr. Miserez concluded by recommending adoption of the preliminary authorizing resolution. Each of the above three phases must be brought back to the board for consideration and approval of final authorizing resolutions. The first phase is scheduled to be presented to the Board at the October 2004 meeting after substantial completion of all financing and related documents.

Following discussion, Member Neff 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 \$72,000,000 TO FINANCE THE COSTS OF SUCH PROJECT.

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

Aye-- Solberg, Starr, O'Mara, Neff, Wilson, Grumney, Hill, Hofherr, Simmons and Maxwell.

Nay-- None

Abstain-- Burch and Lindsey.

Absent-- None

Chair Solberg declared the motion passed.

Chair Solberg moved the closed session to the end of the agenda.

VII. Miscellaneous

- A. Executive Director Report Robert V. Miserez

Mr. Miserez began by reporting that the annual retreat would be held on Monday, September 20-21, 2004 at the Renaissance Grand Hotel, St. Louis. He noted that an informal dinner would be held on Sunday, September 19th.

Mr. Miserez provided an update on the KC Live MODESA project and reported that the completed information should be ready for presentation to the Board at the September meeting. Mr. Miserez also reported on the RFP and selection process of the Board contracting with Development strategies and PGAV co-bidding to assist Board and DED staff in reviewing and assessing this application.

Mr. Miserez further reported that two accountants have been hired to work in the office. Pamela Hill will coordinate their specific duties.

Mr. Miserez concluded by reporting that staff will be implementing a new system to track requests received on possible financing assistance, with reports provided at monthly meetings.

- B. Tax Credit Status Report FYI Only

This report is included for informational purposes only

Closed Session

Member Grumney made a motion to move the meeting into closed session pursuant to 610.021(13) RSMo, Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such.

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

Aye: Solberg, Starr, Burch, Neff, Lindsey, O'Mara, Wilson, Grumney, Hill, Simmons, Hofherr and Maxwell.

Nay: None

Absent: None

Chair Solberg declared the motion passed.

Open Session

Member Simmons made a motion to move the meeting back into open session. Member Grumney seconded the motion. The following roll call vote was recorded:

Aye: Solberg, Starr, Burch, Neff, Lindsey, O'Mara, Wilson, Grumney, Hill, Simmons, Hofherr and Maxwell.

Nay: None

Absent: None

Chair Solberg declared the motion passed.

VIII. Adjournment

There being no further business to come before the members of the Board, Member Wilson made a motion to adjourn. Member Simmons seconded the motion. The meeting was adjourned.

Secretary Neff