

CHAIR:
ELIZABETH T. SOLBERG



EX-OFFICIO MEMBERS:
PETER KINDER
LIEUTENANT GOVERNOR

MEMBERS:
JOHN D. STARR
PAUL S. LINDSEY
JAMES O'MARA
GARRY NEFF
RICHARD J. WILSON
NELSON C. GRUMNEY, JR.
JAMES D. HILL

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, Suite 1000
Jefferson City, MO

JANUARY 18, 2005

The Missouri Development Finance Board met in regular session on Tuesday, January 18, 2005, beginning at 10 a.m. The meeting was held in Room 1010, Governor Office Building, 200 Madison, Jefferson City, Missouri.

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

Elizabeth Solberg	Chair and Member	Present
John D. Starr	Vice Chairman and Member	Absent
Larry D. Neff	Secretary and Member	Absent
Nelson C. Grumney, Jr.	Member	Present
James D. Hill	Member	Present
Paul S. Lindsey	Member	Present
James O'Mara	Member	Present
Richard J. Wilson	Member	Present
Peter Kinder	Lieutenant Governor and Member	Absent
Garry Taylor	Acting Dir., Dept. of Econ. Dev. and Member	Present
Fred Ferrell	Dir., Dept. of Agriculture and Member	Present
Robert V. Miserez	Executive Director and Assistant Secretary	Present

Chair Solberg called the meeting to order and welcomed everyone. Chair Solberg welcomed the two newest board members, Fred Ferrell and Garry Taylor, and declared that a quorum was present. In addition to the above, those in attendance included:

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

Board Counsel: Jim Caldwell

Visitors: Ben Jones, Lieutenant Governor's Office; Dennis Mitchell, Piper Jaffray; Jim Harlow, City of Independence; David Frantze, Stinson Morrison Hecker LLP; Scott Siemers, Cerner Corporation; Scott Riley and Dan Cook of Cook & Riley Law Firm; Dick Stratman and Dick Oldenburg, City of Washington; Debbie Schneider, Vermont Financial Services; Keith Wenzel, Hendren & Andre Law Firm; Mike Harris, Price Waterhouse; Karen Johnston, Eric Carty and Fred Kindel, Quintiles Inc.; and Sallie Hemenway, Judy Gehrke and David Seamon, Department of Economic Development

I. Secretary's Report

Asst. Secretary Miserez

Assistant Secretary Miserez presented for approval the minutes from the December 21, 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, Member O'Mara made a motion to approve the minutes as presented. Member Grumney seconded the motion. The following vote was recorded:

Aye: Solberg, Grumney, Hill, O'Mara, Wilson, Taylor, and Ferrell

Nay: None

Absent: Starr, Neff, Lindsey, and Lt. Governor Kinder

Chair Solberg declared the motion passed.

II. Treasurer's Report

Pamela I. Hill

Ms. Hill presented for approval the treasurer's report as of and for the month ending December 31, 2004. There being no questions, corrections or additions, Member Wilson made a motion to approve the treasurer's report as submitted. Member Hill seconded the motion. The following vote was recorded:

Aye: Solberg, Grumney, Hill, O'Mara, Wilson, Taylor, and Ferrell

Nay: None

Absent: Starr, Neff, Lindsey, and Lt. Governor Kinder

Chair Solberg declared the motion passed.

III. Department of Economic Development Report

Acting Director Taylor

Acting Director Taylor introduced himself and informed the Board that the new Director for the Department of Economic Development will be appointed soon. Acting Director Taylor then informed the Board that he would need to leave early for another meeting.

IV. Department of Agriculture Report

Director Ferrell

Director Ferrell introduced himself and reported that the Department of Agriculture had a great year in 2004. Director Ferrell indicated that he anticipates 2005 will be a banner year for agriculture.

V. **Lieutenant Governor's Report**

Chair Solberg

Lt. Governor Peter Kinder was not available for the meeting; therefore a report was not given.

VI. **Old Business**

A. I-70 Medical Center Loan Guarantee
Authorizing Resolution

Kathleen Barney

Ms. Barney reported that the Board had approved a loan guarantee for \$460,000 from First Community Bank for an 85% guarantee for a portion of a \$9.2 million project to build a 15-bed swing bed hospital in Sweet Springs. Initially the Board approval was for a 5-year term on loan — the borrower requested a 10-year term loan. Ms. Barney recommended approval of the 10-year term with the addition of collateral.

Member O'Mara made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ENTER INTO A LOAN GUARANTEE AGREEMENT WITH FIRST COMMUNITY BANK AND I-70 MEDICAL CENTER AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

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

Aye: Solberg, Grumney, Hill, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lindsey, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

VII. **New Business**

A. Cerner
BUILD Bond Preliminary Resolution

Pamela I. Hill

Ms. Hill reported that Cerner Corporation requested a bond amount of \$3,160,000. Cerner is investing \$30 million and creating 400 full-time jobs in Kansas City, Missouri.

Ms. Hill introduced David Frantze, Stinson Morrison Hecker LLP, representing Cerner Corporation. Mr. Frantze reported that in addition to the job creation and economic development portion, neighborhood revitalization also is an important aspect of the project. Staff recommended approval of the Resolution of Intent.

Member O'Mara made a motion to adopt the following resolution authorizing:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING AN ECONOMIC DEVELOPMENT
PROJECT FOR CERNER CORPORATION, AND DETERMINING THE
INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE
BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$3,160,000
TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.**

Member Wilson seconded the motion. The following vote was recorded.

Aye: Solberg, Grumney, Hill, Lindsey, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

B. Quintiles Pamela I. Hill
BUILD Bond Preliminary Resolution

Ms. Hill reported that Quintiles, Inc. was seeking approval of \$1,000,000 in BUILD bonds for plant expansion and installation of new machinery and equipment and construction of a packaging facility located in Kansas City, Missouri. The project will create 115 new permanent full-time jobs. Ms. Hill recommended adoption of the Preliminary Resolution of Intent.

Mr. Jim Caldwell informed the Board that representatives from Quintiles, Inc. planned to give a presentation were in route to the meeting. Chair Solberg asked for a motion to table the item until the end of the meeting.

Member Lindsey made a motion and Member Hill seconded the motion to table the item until the end of the meeting.

C. HBAS Manufacturing Inc. Robert V. Miserez
BUILD Bond Preliminary Resolution

Mr. Miserez reported that HBAS Manufacturing requested \$1,000,000 in BUILD bonds for a project in Washington, Missouri. The project will create 200

permanent, full-time positions and 100 temporary jobs. Mr. Miserez recommended adoption of a Preliminary Resolution of Intent.

Mr. Miserez introduced Mr. Dick Oldenburg from the City of Washington and Mr. Scott Riley from Cook & Riley. Mr. Riley commented that in addition to the 200 jobs the project will be creating, HBAS would be looking to the City of Washington to fill those positions. Mr. Oldenburg commented that this was the first time that the City of Washington had requested BUILD bonds.

Member O'Mara made a motion to adopt the following resolution authorizing:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING AN ECONOMIC DEVELOPMENT
PROJECT FOR HBAS MANUFACTURING, INC., AND DETERMINING
THE INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI
REVENUE BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY
\$1,036,000 TO FINANCE A PORTION OF THE COSTS OF THE
PROJECT.**

Member Grumney seconded the motion. The following vote was recorded.

Aye: Solberg, Grumney, Hill, Lindsey, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

D. City of Independence
Preliminary Resolution

Kathleen Barney

Ms. Barney reported that the City of Independence requested a \$5,000,000 bond issue for infrastructure associated with a 320-acre development containing 143 residential lots and a public golf course. Staff recommends adoption of a Preliminary Resolution of Intent.

Ms. Barney introduced Mr. Jim Harlow from the City of Independence and Mr. Dennis Mitchell from Piper Jaffrey Inc. Mr. Mitchell distributed a layout of The Drumm Farm Institute and explained how they could convert the land to something that could produce income for the non-profit home. Mr. Harlow explained the project would convert some of the land into a residential area and a golf course.

Member Wilson made a motion to adopt the following resolution authorizing:

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 \$5,000,000 TO FINANCE THE COSTS OF SUCH PROJECT.

Member Grumney seconded the motion. The following vote was recorded.

Aye: Solberg, Grumney, Hill, Lindsey, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

E. RFP for Program Finance Handbook Robert V. Miserez

Mr. Miserez reported that at the December 2004 Board meeting it was requested that he give a status report on the development of a RFP for the development of a Finance Guide. Mr. Miserez reported that the Department had not made a guide for several years and that an updated guide be completed. The guide would be targeted toward non-metro areas, city officials, Chamber of Commerce officials and elected officials.

Mr. Miserez introduced Ms. Sally Hemingway to further explain the goal of the finance guide. Ms. Hemingway reported that it had been 20 years since a guide had been revised. The goal is to provide a "how to" manual in accessing and implementing existing economic development initiatives and specific programs or development initiatives authorized by state statute. It was noted that the funding for the RFP would be paid by DED.

Member Lindsey made a motion to approve RFP. Member O'Mara seconded the motion. The following vote was recorded:

Aye: Solberg, Grumney, Hill, Lindsey, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

Chair Solberg welcomed the representatives for Quintiles, Inc. project and informed everyone that Ms. Hill had given an overview of the project.

Mr. Mike Harris from Price Waterhouse Group introduced Ms. Karen Johnston, Mr. Eric Carty and Mr. Fred Kindel. Mr. Harris gave a brief overview of the history of Quintiles and the project.

Member Lindsey made a motion and Member Hill seconded the motion to adopt the following resolution:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING AN ECONOMIC DEVELOPMENT
PROJECT FOR QUINTILES, INC., AND DETERMINING THE INTENT
OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS
IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$1,036,000 TO
FINANCE A PORTION OF THE COSTS OF THE PROJECT.**

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

Aye: Solberg, Grumney, Hill, Lindsey, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

F. Annual Financial Audit FY2004

Pamela I. Hill

Chair Solberg commented on the great job Ms. Hill and her staff had done on the annual audit. Ms. Hill thanked Chair Solberg and requested from the Board approval of the audit.

Member O'Mara made a motion to approve the audit. Member Grumney seconded the motion. The following vote was recorded:

Aye: Solberg, Grumney, Hill, Lindsey, O'Mara, Wilson, and Ferrell

Nay: None

Absent: Starr, Neff, Lt. Governor Kinder, and Taylor

Chair Solberg declared the motion passed.

VIII. Executive Director's Report

Robert V. Miserez

Mr. Miserez reported that a luncheon was being hosted on Monday, January 24, 2005, for an award that was being presented to the Board from Forest Park Forever. All Board members were invited to attend.

Mr. Miserez reported that financial disclosure statements were due once again and are to be completed by May 1, 2005. All private Board members are required to complete a statement.

The following upcoming events are scheduled:

- Missouri Economic Development Counsel Winter Conference is scheduled for February 8-9, 2005.
- Missouri Arts Council Awards will be held in the Capitol Rotunda on February 9.
- Missouri Municipal League Legislative Conference is scheduled for February 23-24, 2005.

Mr. Miserez reported that the monthly Board meeting dates have been set, but locations for the meetings June through December will be spread throughout the state.

Mr. Miserez indicated that a Legislative fact sheet is to be distributed to all Board members for their use for discussions with Legislators, the Governor's office, etc.

Mr. Miserez informed the Board that at its February 15th meeting at least one hour will be designated to review and discuss the Board's key programs.

IX. Adjournment

There being no further business, the meeting was adjourned.


Assistant Secretary Miserez