

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.



MISSOURI DEVELOPMENT FINANCE BOARD

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

FRED FERRELL
DIRECTOR, AGRICULTURE

DOYLE CHILDERS
DIRECTOR,
NATURAL RESOURCES

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ

MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

Renaissance Grand Suites
Lennox Meeting Room
827 Washington Avenue
St. Louis, Missouri

OCTOBER 17, 2006

The Missouri Development Finance Board met in regular session on Tuesday, October 17, 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	Absent
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Present*
Fred Ferrell	Director, Dept. of Agriculture and Member	Present
Doyle Childers	Director, Dept. of Natural Resources	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 and Valerie Haller

Board Counsel: David Queen

Others Present: Ben Jones, Lieutenant Governor's Office; Bob Langenkamp and Michaela Hunter, City of Kansas City; Dave Frantze, Stinson, Morrison, Hecker; Bob Lewis, Development Strategies; Jeanie Latz, Midwest Research Institute; John Diehl, Nations, Hettenbach & Diehl; Jodi Gay, Edward D. Jones; Mike Downing and Lori Becklenberg, Missouri Department of Economic Development

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the September 19, 2006 meeting. The minutes were included in the Board materials distributed in advance of the meeting. 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 vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

II. Treasurer's Report

Treasurer Grumney

Treasurer Grumney presented for approval the Treasurer's Report as of and for the two months ended August 31, 2006. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. Treasurer Grumney reported the approval of the increase of the Commercial Crime Insurance Policy from \$200,000 to \$5,000,000 that was approved by the MDFB Executive Committee. There being no questions or additions, Treasurer Grumney made a motion to approve the Treasurer's Report as submitted. Member Hill seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

III. Department of Economic Development Report Director Steinhoff

No report was given.

IV. Department of Agriculture Report Director Ferrell

Director Ferrell reported agriculture has had a very good year. Director Ferrell commented that drought assistance has been given to 30 counties, mainly the southwest part of Missouri, with a \$2.74 million allotment for qualified participants in those counties. It also was reported that 85 counties have been qualified for federal disaster relief for drought. Director Ferrell stated there is a good corn crop across the state.

Director Ferrell invited all members to the Governor's Conference on Agriculture scheduled for December 10-11 at Tan-Tar-A Resort at Lake Ozark.

V. Department of Natural Resources Director Childers

Director Childers reported the Department continues to work on improving their Web site to make current information readily available. The Department continues to locate staff in satellite offices throughout the regions of the state. By locating staff in regions it makes personnel much more accessible and saves funds by cutting travel time.

VI. Lieutenant Governor's Report Lt. Governor Kinder

Chairman Kinder reported the Governor and he would be holding a press conference to announce the first ever "Tour of Missouri Bike Race" to be held September 11-16, 2007, which will cover most of Missouri. The race will begin in Kansas City and end in St. Louis.

Director Steinhoff joined the meeting via telephone conference call.

VII. New Business

A. City of Kansas City Contribution for Tax Credit Kathleen Barney
Application for Midwest Research Institute

Ms. Barney presented the tax credit for contribution application from the City of Kansas City for the benefit of the Midwest Research Institute ("MRI") requesting \$4 million in tax credits for \$8 million in contributions. Ms. Barney stated there is approximately \$1.3 million unallocated of the \$10 million cap for CY2006, with some approved projects that may not be able to raise the funds. The City would like the ability for up to \$4 million of contributions in CY2006 to receive

\$2 million in tax credits if credits are available. Any of the \$2 million in credits not available in CY2006 would rollover to CY2007.

Ms. Barney commented the project involves a \$23.5 million renovation of the MRI headquarters in Kansas City. The project would improve efficiency by renovating the layout of the headquarters in Phase I and adding 150 new jobs. Ms. Barney introduced Mr. Bob Langenkamp from the City of Kansas City. Mr. Langenkamp stated MRI is a world-class research institute that is involved in many testing programs and product research. Mr. Langenkamp explained that MRI's renovation project would allow them to create a much more usable and more efficient lab facility. The City passed a resolution expressing their intent to provide capital funding for infrastructure to support the project. Mr. Langenkamp thanked the Board for the redevelopment efforts in Kansas City and the support from Board staff. Mr. Langenkamp introduced Mr. David Frantze from the Stinson, Morrison, Hecker law firm.

Mr. Frantze also thanked the Board for their support. Mr. Frantze indicated he hoped the project would come before the Board again for a potential bond issue to finance the balance of the project that would not be financed by initial contributions. Mr. Frantze introduced Ms. Jeanie Latz from MRI.

Ms. Latz distributed a handout and an annual report for MRI. Ms. Latz gave a brief history of MRI and the types of research they perform. Ms. Latz introduced Mr. Bob Lewis from Development Strategies.

Mr. Lewis gave a brief overview of the economic impact study prepared for MRI for the construction and new employees that reports new Missouri tax revenues of \$20 million net present valued over 20 years.

Vice Chairman Starr commented how important MRI is to Kansas City and asked that MRI's request for tax credits be granted. Chairman Kinder agreed with Vice Chairman Starr and made a motion to approve their request for \$2 million of credits in 2006, subject to availability, and \$2 million of credits in 2007.

Member Solberg seconded the motion. Chairman Kinder asked if there was discussion of the motion. Secretary Neff questioned if the motion as presented would give MRI the remaining 2006 credits available and if so did they have contributors in place. Ms. Barney commented that MRI has \$4 million in contributions committed by the end of 2006.

Vice Chairman Starr asked Ms. Latz if there was the availability of \$3 million in credits for 2006, would MRI be in the position of using the \$3 million in credits. Ms. Latz commented that she believed the donors were flexible enough that it could be a possibility.

Chairman Kinder amended his motion to approve MRI's request for tax credits up to \$3 million in CY2006, subject to availability, with any unused portion of the

\$4 million request to be used in CY2007. Member Solberg seconded the amended motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

B. Edward D. Jones Tonya Loucks
BUILD Missouri Program

Ms. Loucks presented the BUILD Bond application for Edward D. Jones in an amount not to exceed \$7,225,000. Ms. Loucks stated the project includes a significant expansion of the operations in Maryland Heights. However, the bond proceeds will be used to fund a portion of the overpass on Highway 270 to support infrastructure needs of the expanding Edward Jones campus. Ms. Loucks explained that due to the project planning and other I-64 improvements, construction on the overpass will not begin until 2010; therefore BUILD bonds would not be needed until that time. Ms. Loucks introduced Mr. John Diehl with Nations, Hettenbach & Diehl.

Mr. Diehl gave a brief history of the Edward Jones operations and what the project consists of. Mr. Diehl was available for questions.

Secretary Neff made a motion to adopt the following resolution:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD PRELIMINARILY APPROVING AN ECONOMIC DEVELOPMENT PROJECT FOR EDWARD D. JONES & CO., L.P., AND DETERMINING THE INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$7,225,000 TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.

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

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

- C. FY2006 Consolidated Annual Financial Report Pamela Hill, CPA
Heidi Chick, CPA

Ms. Hill presented for approval the 2006 Comprehensive Annual Financial Report (“CAFR”) that was included in the Board materials distributed in advance of the meeting. Ms. Hill and Ms. Heidi Chick, the Board’s audit partner, was available for questions.

Vice Chairman Starr made a motion to approve the CAFR as presented. Secretary Neff seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

- D. Sports Complex, Streets and Bridges and Centerpoint Projects Kathleen Barney
— City of Independence
Public Infrastructure Bonds

Ms. Barney presented the application from the City of Independence to issue three series of bonds — Sports Complex Project, Streets and Bridges Project, and the Centerpoint Project.

The Sports Complex Project (Series 2006D) is a brand new sports area with bond proceeds not to exceed \$6,125,000. The complex will include four game-quality soccer fields, four soccer practice spaces, three softball fields, two baseball fields and expansion space for two additional baseball fields, three full-size football fields and one football practice space.

The Streets and Bridges Project (Series 2006E) is a continuation of the streets and bridges project that was approved by the Board in April 2005. The current request for Series 2006E is not to exceed \$3,310,000 in bonds and consists of repaving approximately 200 miles of roads, replacing eight bridges and culverts, replacing 2.3 miles of medians, and constructing intersection and traffic public safety improvements.

The Centerpoint Project (Series 2006F) involves the construction of a new 257-bed hospital and related public infrastructure. Hospital Corporation of America will operate the facility in Independence. This hospital replaces two older

hospitals that will be closed. The total TIF costs are \$44,462,000 which includes \$12 million in building renovation funds for the older hospitals. Bond proceeds are not to exceed \$5,415,000.

Staff recommended approval of the Resolution of Intent to issue up to \$65 million of bonds for the Centerpoint Project and the Final Authorizing Resolution for the three series.

Secretary Neff made a motion to adopt the following resolutions:

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 OF NOT TO EXCEED \$56,000,000 TO FINANCE THE COSTS OF SUCH PROJECT.

RESOLUTION AUTHORIZING THE ISSUANCE OF THREE SERIES OF INFRASTRUCTURE FACILITIES REVENUE BONDS FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$14,850,000, TO PROVIDE FUNDS TO BE LOANED TO THE CITY OF INDEPENDENCE, MISSOURI FOR THREE SEPARATE INFRASTRUCTURE PROJECTS; 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: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

- E. Audit Committee Charter Pamela Hill
Audit Committee Chairman Eckelkamp

Ms. Hill presented for approval the MDFB Audit Committee Charter that was included in the Board materials distributed in advance of the meeting. The Charter details the primary purpose and responsibilities of the Audit Committee.

Chairman Kinder made a motion to approve the Audit Committee Charter as presented. Secretary Neff seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

F. Whistleblower Policy

Pamela Hill
Audit Committee Chairman Eckelkamp

Ms. Hill presented for approval the MDFB Audit Committee's Whistleblower Policy that was included in the Board materials distributed in advance of the meeting. The Policy outlines the reporting responsibility of all Board members, officers and staff regarding any violations or suspected violations concerning accounting, internal controls, auditing or other business matters.

Director Childers made a motion to approve the Whistleblower Policy as presented. Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

G. Check Signature and Disbursement Policy

Pamela Hill

Ms. Hill presented for approval the revised Check Signature and Disbursement Approval Process that was included in the Board materials distributed in advance of the meeting. Ms. Hill explained that the MDFB Audit Committee approved a recommendation to change the current check signature policy that requires one authorized signature to include a requirement that any check of \$10,000 or more to have two authorized signatures.

Secretary Neff made a motion to approve the revised Check Signature and Disbursement Approval Process as presented. Member Wilson seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

H. Election of Officers

Chairman Kinder

Chairman Kinder entertained a motion for a slate of officers. Member Wilson made a motion to continue the officers as present. Member Lindsey seconded the motion. The following officers were elected: Peter D. Kinder, Chairman; John D. Starr, Vice Chairman; Larry D. Neff, Secretary; and Nelson C. Grumney, Treasurer. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, Wilson, Hill, Steinhoff, Ferrell, Childers and Kinder

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

VIII. Miscellaneous

Robert Miserez

Mr. Miserez thanked the staff for all their work for the Board meeting and the Retreat. Chairman Kinder also thanked everyone for a great Retreat and meeting.

IX. Adjournment

There being no further business, Vice Chairman Starr motioned to adjourn the meeting. Secretary Neff seconded the motion. The meeting was adjourned.

[Secretary Neff's Signature]