

**CHAIRMAN:**  
PETER D. KINDER  
LIEUTENANT GOVERNOR

**MEMBERS:**  
JOHN D. STARR  
LARRY NEFF  
NELSON C. GRUMNEY, JR.  
RICHARD J. WILSON  
L. B. ECKELKAMP, JR.  
DANETTE D. PROCTOR  
JOHN MEHNER



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

DON STEEN  
DIRECTOR, AGRICULTURE

DOYLE CHILDERS  
DIRECTOR,  
NATURAL RESOURCES

**EXECUTIVE DIRECTOR:**  
ROBERT V. MISEREZ

## MISSOURI DEVELOPMENT FINANCE BOARD

### MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

Capitol Plaza Hotel  
415 West McCarty Street, Jefferson Room  
Jefferson City, Missouri

NOVEMBER 20, 2008

The Missouri Development Finance Board met in regular session on Thursday, November 20, 2008, beginning at 10:00 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
Richard J. Wilson	Member	Present
L. B. Eckelkamp, Jr.	Member	Present
Danette D. Proctor	Member	Present
John E. Mehner	Member	Present
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Present
Don Steen	Director, Dept. of Agriculture and Member	Absent
Doyle Childers	Director, Dept. of Natural Resources and Member	Present
Robert V. Miserez	Executive Director and Assistant Secretary	Present

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

Board Staff: Kathleen Barney, Mike Golden, Krystal Davis, Dawn Holt, Kimberly Martin, and Valerie Haller

Board Counsel: David Queen

Others Present: Jerry Dowell, Lieutenant Governor's Office; Cliff Illig, OnGoal, LLC; Mike White, White Goss Bowers March; Nathan Vance, Lane4 Property Group; Robb Heinemann, Trails Properties, Inc.; Bob Langenkamp, City of Kansas City, MO; Gib Garrow, Neosho Department of Economic Development; Glenn Brown, Diamante Ranch, LLC; Gary Roark, Newton County Emergency Management; David Wolfram and John Stevens,

ProEnergy Services; Linda Christle, Sedalia Economic Development; Laura Osborn and Jim Kroman, Boehringer Ingelheim Vetmedica; Cyndra Lorey, St. Joseph Chamber of Commerce; Deanna Wilson, Rick Novosak and Mary Heitland, UMB Bank; Heidi Chick, Williams-Keepers, LLC; Thad Bull, Backpost.net; Sallie Hemenway, Ann Perry, Daryl Hylton, Tony Grandison and Jennifer George, Missouri Department of Economic Development; and Keith Wenzel, Hendren Andre

**I. Secretary's Report**

Secretary Neff

Secretary Neff presented for approval the minutes from the September 30, 2008 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, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

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 months ended August 31, 2008 and September 30, 2008. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Treasurer Grumney made a motion to approve the Treasurer's Report as submitted. Member Mehner seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

**III. Department of Economic Development Report**

Interim Director Taylor

Interim Director Taylor reported that from July 1 through October 31, 2008 there were 52 companies reporting layoffs of more than 9,000 people. Mr. Taylor stated that in the month of September, Missouri led the country in the number of new jobs created with 3,600 jobs created.

Mr. Taylor reported the Department currently is working on approximately 111 active business projects. Mr. Taylor commented the Department has some new initiatives, including the Automotive Task Force.

Mr. Taylor stated the foreclosure rate for the nation is 1.59% overall, and Missouri's rate is 0.63%. Mr. Taylor congratulated the Board, MHDC and the Department for receiving Honorable Mention by the Governor's Award for Quality and Productivity Selection Committee for the DREAM Initiative.

Mr. Taylor gave a brief update on the Missouri Partnership and distributed a marketing brochure highlighting the recruitment and retention efforts of the state.

**IV. Department of Agriculture Report**

Director Steen

This report was deferred to the next meeting.

**V. Department of Natural Resources**

Director Childers

Director Childers reported the Department continues to work on transition issues and the distribution of grant money for the sewer and water initiative.

Director Childers gave a brief report on the executive order signed by the Governor to promote green tourism in Missouri. The Department has been requested to develop and implement a program that encourages energy conservation and environmental stewardship by December 31, 2008.

Director Childers commented the Department continues to work on environmental issues, the state park at Johnson Shut-Ins, and several other issues.

**VI. Lieutenant Governor's Report**

Lt. Governor Kinder

This report was deferred to the next meeting.

## VII. Old Business

### A. City of Kansas City — Three Trails Redevelopment Tax Credit for Contributions

Robert V. Miserez

Mr. Miserez reported on the tax credit for contribution application from the City of Kansas City for \$30 million in tax credits to leverage \$60 million in contributions. The application was first presented to the Board at its June 2008 meeting as an overview and presentation.

Mr. Miserez stated the project is an approximate 457-acre redevelopment site primarily around the Bannister Mall complex along Interstate 435 and Highway 71. At the June meeting, the Board tabled the item pending further analysis and review by Board staff. Since that time, staff and counsel worked with the Department of Economic Development and representatives of the developer to construct a Summary of Terms and Conditions that outlines the Board's participation in the project.

Mr. Miserez reported the use of the contribution proceeds includes land acquisition, demolition, site preparation, basic infrastructure and utility improvements, parking, and a professional soccer stadium, with costs far exceeding the \$60 million in contributions. Mr. Miserez stated that upon receipt of the contributions, the tax credits will not exceed \$10 million for three State fiscal years. The stadium will be owned by a local governmental entity.

Mr. Miserez stated that on the 457-acre site, there are 24 development phases over a 9 year estimated build-out period if the project begins in 2008. The total project, if and when built out, is more than \$1 billion.

Mr. Miserez stated the project was broken into much more manageable phases and into pieces that were actually firmly committed with stipulations that if the specific, firmly-committed aspects of the project did not occur, there are recapture provisions and clawbacks on the tax credits.

Mr. Miserez reported that in the Summary of Terms, there are MDFB Stages 1 through 4 Improvements with completion guarantees by a creditworthy source acceptable to the Board. Before disbursing contributions, there is a requirement of financing for that particular phase. There are termination rights on the tax credits if they do not complete the stages by certain deadlines. Each MDFB Stage has caveats and conditions as far as starting, completing, clawbacks on credits allocated to those phases, and also the state fiscal year limitations which include the fact that all tax credits have to be used and redeemed by December 31, 2013 or be forfeited.

Mr. Miserez reiterated on the specific recapture points, dates, and amounts for the credits as they are phased into the project. There also are release points of the

recapture based upon the completion of the activities. Mr. Miserez stated a key part of the entire redevelopment is another application the City of Kansas City has made to the Department of Economic Development for state supplemental TIF. In working with the Department, Board staff included DED's key conditions as to how they would participate on the state TIF, but their activities are slightly different than the Board's.

Mr. Miserez reported that economic impact studies had been completed and the outcomes were positive. Mr. Miserez discussed more details of the Term Sheet, including a clause stating there will be no further Board assistance on this project.

Mr. Miserez commented the area certainly is a blighted area by all demographics and is potentially a huge benefit for Kansas City and the State. Staff supports the project and the recommendation to approve \$30 million in tax credits. Mr. Miserez was available for questions.

David Queen, Board Counsel, stated that in the first 200,000 square feet of office space there also has to be a signed lease with a Fortune 500 company or a company which employs at least 6,000 people in the Kansas City area. If the soccer team leaves over 23 years, the credits of the stadium component are owed back to the state.

Vice Chairman Starr commented that the project will be a seed for more development in the area.

Vice Chairman Starr made a motion to approve the following Authorizing Resolution authorizing approval of \$30 million in tax credits above the annual cap pursuant to the terms and conditions set forth in the Term Sheet and subject to approval to exceed the cap as required by Board statute:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING THE SUMMARY OF TERMS AND CONDITIONS IN CONNECTION WITH THE THREE TRAILS REDEVELOPMENT PROJECT; AND AUTHORIZING THE ACCEPTANCE OF CONTRIBUTIONS IN AN AMOUNT NOT TO EXCEED \$60,000,000 UNDER THE TAX CREDIT FOR CONTRIBUTION PROGRAM FOR THE PURPOSE OF FUNDING CERTAIN COSTS RELATING TO THE THREE TRAILS REDEVELOPMENT PROJECT ALL AS SET FORTH IN THIS RESOLUTION AND IN THE SUMMARY OF TERMS AND CONDITIONS**

Chairman Kinder seconded the motion.

Secretary Neff questioned the average wage amount of the reported 5,992 jobs during construction. Robert Langenkamp with the City of Kansas City responded

that the reported wage amount was an error and a revised application would be forthcoming.

There being no further questions or discussion and the motion on the floor, the following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

B. Northern Newton County Emergency Response Center Tax Credit for Contributions Robert V. Miserez

Mr. Miserez presented the application from the Northern Newton County Emergency Response Center and the City of Diamond for up to \$228,500 in tax credits based upon a proposed contribution of an 18,900 square foot land parcel with an approximately 6,075 square foot office building and 3,850 square foot warehouse.

Mr. Miserez stated the application was presented to the Board in March 2008 as a presentation item only and was tabled for further review. The project is a consolidation of local regional governmental entities that provide health and human safety services. The real property will serve as a command center for the Newton County Emergency Management Agency, permanent office space for the county sheriff, county ambulance and county health departments, as well as the Diamond police and fire departments.

Mr. Miserez reported the project fits the Board’s mission as far as using the credits for public infrastructure and recommended approval of the application as presented.

Secretary Neff made a motion to approve tax credits up to 50% of the appraised value of the land and improvements based upon receipt of two M.A.I. appraisals as required by Board statute, but not to exceed \$228,500 as either 2008 or 2009 calendar year credits.

Chairman Kinder seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

C. Orgill, Inc. — BUILD  
Final Authorizing Resolution

Mike Golden

Mike Golden reported on the BUILD Missouri application from Orgill, Inc. that was presented to the Board at its July 15, 2008 meeting. The Board adopted a preliminary resolution to issue bonds in an amount not to exceed \$1,550,600. Since that time, counsel for the Company and the Board have been working on completing the financing documents.

Mr. Golden stated all financing terms remained as originally presented. The Company has pledged to add 274 new jobs and make an investment of more than \$36 million constructing its facility in Sikeston, MO.

Staff recommended adoption of the Final Authorizing Resolution.

Member Mehner made a motion to approve the following Final Authorizing Resolution:

**RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (ORGILL, INC. PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,550,600 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO FINANCE A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF ORGILL, INC.; 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 Wilson seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

D. MasterCard International — IRB Refunding Bonds  
Final Authorizing Resolution

Kathleen Barney

Kathleen Barney reported on the application for Refunding Bonds for MasterCard International, LLC. In 1999 the Board issued \$154 million in bonds for the facility in O’Fallon as part of a tax abatement proposal to create a global processing headquarters for MasterCard. Bond proceeds were used for facility construction and cost of equipment.

Ms. Barney reported that MasterCard wished to exercise its option to refund the Bonds in order to eliminate the O’Fallon Public Facility Authority (“the Authority”) as a party to the transaction. The Authority has requested that it be removed as lessor of the property. MasterCard will purchase the Refunding Bonds and lease the property directly from the Board.

Staff recommended approval of the Final Authorizing Resolution for Bonds not to exceed \$160,000,000.

Secretary Neff made a motion to approve the following Final Authorizing Resolution:

**RESOLUTION AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REFUNDING REVENUE BONDS (WINGHAVEN/ MASTERCARD PROJECT), SERIES 2009, TO PROVIDE FUNDS TO REFUND A PRIOR SERIES OF THE BOARD’S BONDS; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

Treasurer Grumney seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

E. City of Neosho Downtown Revitalization  
Tax Credit Agreement Amendment

Krystal Davis

Krystal Davis reported on the City of Neosho’s request to expand the scope of their 2003 tax credit agreement. The scope of the original agreement focused on the replacement of sidewalks, curbs and lighting on sidewalks in the vicinity of Historic Downtown Neosho.

Ms. Davis commented that due to the success of Neosho as a DREAM community, this work was completed without the use of the total available funds the Board has in trust. City officials requested the Board expand the scope of the original tax credit agreement to cover the cost to fund parking lot construction and to fund the cost acquisition and demolition of blighted structures within the DREAM designated planning area.

Staff recommended modifying the tax credit agreement.

Secretary Neff made a motion to amend the Tax Credit Agreement to expand the scope outlined in the original tax credit agreement to cover the cost to fund parking lot construction and to fund the cost acquisition and demolition of blighted structures within the DREAM designated planning area. Member Eckelkamp seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

F. CORTEX/CET  
Reallocation of Tax Credits

Krystal Davis

Krystal Davis presented the joint request from the Land Clearance for Redevelopment Authority of the City of St. Louis (“LCRA”) for reallocation of contribution tax credits for the benefit of the Center of Research, Technology and Entrepreneurial Exchange (“CORTEX”) and the Center for Emerging Technologies (“CET”).

Ms. Davis reported that since the approval of the joint application in March 2008 for \$15 million in tax credits distributed over 5 calendar years, both organizations have experienced difficulties in their fundraising efforts. Both organizations requested a reduction in their 2008 credits and an amendment to their allocation structure.

Staff recommended approval of the reallocation of tax credits.

After further discussion, the item was tabled for future consideration.

## VIII. New Business

A. Boehringer Ingelheim Vetmedica — BUILD Mike Golden  
Resolution of Intent

Mike Golden Barney presented the application from Boehringer Ingelheim Vetmedica, Inc. for Missouri BUILD bonds not to exceed \$2,066,000.

Mr. Golden reported the project consists of three phases over five years consisting of establishing an onsite centralized office building, expanding its manufacturing plant, and continue to broaden its research and development activities in St. Joseph, Mo. Project costs are approximately \$129 million for facilities and expansion. Mr. Golden stated there will be 124 new jobs over five years and 100 jobs in the first three years.

Staff recommended approval of the preliminary resolution. Mr. Golden introduced Laura Osborn and Jim Kroman with Boehringer Ingelheim Vetmedica.

Mr. Kroman and Ms. Osborn gave a presentation on the history of the company and were available for questions.

Secretary Neff made a motion to approve the following Resolution of Intent:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD  
PRELIMINARILY APPROVING A PROJECT FOR BOEHRINGER  
INGELHEIM VETMEDICA, INC., AND DETERMINING THE INTENT  
OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS  
IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$2,066,000 TO  
FINANCE A PORTION OF THE COSTS OF THE PROJECT.**

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

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner,  
Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

B. ProEnergy Services, LLC — BUILD Mike Golden  
Resolution of Intent

Mike Golden presented the application from ProEnergy Services, LLC for Missouri BUILD bonds not to exceed \$5,162,000.

Mr. Golden reported the project consists of three buildings approximating 400,000 square feet to expand their operations of repairing/refurbishing aero and gas derivative turbines in Sedalia, Mo. The company will purchase \$45 million in machinery and equipment for this expansion and will create 142 new jobs.

Staff recommended approval of the preliminary resolution. Mr. Golden introduced David Wolfram with ProEnergy Services.

Mr. Wolfram and John Stevens gave a brief history of the company and were available for questions.

Secretary Neff made a motion to approve the following Resolution of Intent:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD  
PRELIMINARILY APPROVING A PROJECT FOR PROENERGY  
SERVICES, LLC, AND DETERMINING THE INTENT OF THE BOARD  
TO ISSUE ITS BUILD MISSOURI REVENUE BONDS IN A PRINCIPAL  
AMOUNT OF APPROXIMATELY \$5,162,000 TO FINANCE A PORTION  
OF THE COSTS OF THE PROJECT.**

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

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner,  
Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

- C. MDFB FY2008 CAFR L.B. Eckelkamp, Jr./  
Recommendation to Accept Report Heidi Chick, CPA

Mr. Eckelkamp presented the MDFB FY2008 Comprehensive Annual Financial Report and Audit Report from Williams-Keepers, LLC. Mr. Eckelkamp stated the CAFR was composed by Krystal Davis and staff.

Ms. Davis gave a brief overview of the CAFR and stated the Board received a clean opinion on the financial statements. Ms. Davis reported that overall the net assets had decreased largely due to the sale of the Kansas City Library Garage and that participation fees were up.

Heidi Chick with Williams-Keepers, LLC reported the Board received an excellence in reporting for the CAFR and that there were no material weaknesses. Ms. Chick was available for questions.

Mr. Eckelkamp commented the audit reports were very good with no criticisms and complemented staff for an excellent job. Mr. Eckelkamp reported the MDFB Audit Committee met and fully supports the approval of the FY2008 CAFR.

Secretary Neff made a motion to approve the MDFB FY2008 CAFR as presented. Treasurer Grumney seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

D. Membership in the Hawthorn Foundation Robert V. Miserez

Mr. Miserez reported that at the September Board Retreat there was discussion regarding the Board becoming a member of the Hawthorn Foundation. It was discussed to become a member at the entry-level membership of \$10,000 per year. The Board amended the budget at that time to include the membership.

Mr. Miserez stated that since that time, there had been discussion of increasing the membership participation by the Board to the \$50,000 Governor's Level.

Secretary Neff stated that since the Hawthorn Foundation and Missouri Partnership were the primary entities bringing business recruitment and retention to Missouri, and considering business recruitment and retention is the Board's primary function, it would be appropriate to contribute at the higher level.

Secretary Neff made a motion to amend the budget to include membership in the Hawthorn Foundation at the \$50,000 level. Member Eckelkamp seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

E. MDFB Contribution Tax Credit Authorization Policy

Robert V. Miserez

Mr. Miserez reported on RSMo. Section 100.286.6 regarding tax credits and noted how the statute imposes a cap equal to the greater of \$10 million or five percent of the average growth in general revenue receipts in the preceding three fiscal years. By policy, the Board adopted in the early 1990s to stay within the \$10 million cap and not exercise its authority to utilize the 5% formula. It maintains the option to exceed this cap with the consent of the three department directors.

There have been previous discussions to rescind the current policy. Mr. Miserez stated that based upon the growth factors, the lowest amount was approximately \$6 million in 2002 and the greatest amount was approximately \$25 million in 1998; with the possibility of \$25 million in FY2008.

Staff presented for the Board's consideration to rescind the current policy and go by the greater of the two.

Secretary Neff made a motion to rescind the prior policy and utilize full statutory authority as authorized in RSMo. Section 100.286.6. Member Eckelkamp seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Taylor, Childers and Kinder

Nay: None

Absent: Steen

Chairman Kinder declared the motion passed.

**IX. Miscellaneous**

Robert V. Miserez

Kathleen Barney gave an update on the Ninth Street Garage/Schnucks Market lease. The lease deal is anticipated to close in the next few weeks.

Mr. Miserez briefed the Board on potential projects that could come before the Board at future meetings.

Kimberly Martin gave a brief update on the DREAM Initiative and the progress being made with all of the communities.

**X. Adjournment**

There being no further business before the Board, it was the consensus of the Board to adjourn the meeting. The meeting was adjourned.

[Secretary Neff's Signature]