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**MEMBERS:**  
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LARRY NEFF  
NELSON C. GRUMNEY, JR  
ELIZABETH T. SOLBERG  
PAUL S. LINDSEY  
RICHARD J. WILSON  
JAMES D. HILL  
L. B. ECKELKAMP, JR  
TROY L. WILSON



**EX-OFFICIO MEMBERS:**  
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 Street, Room 1010  
Jefferson City, Missouri

DECEMBER 20, 2005

The Missouri Development Finance Board met in regular session on Tuesday, December 20, 2005, beginning at 10 a.m. The meeting was held via telephone conference call.

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	Absent
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	Present
Troy L. Wilson	Member	Present
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Absent
Fred Ferrell	Director, Dept. of Agriculture and Member	Present
Robert V. Miserez	Executive Director and Assistant Secretary	Present

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: Mike Mills, Mo. Dept. of Economic Development; Dr. Steven Gates, Alan Marble, Art Boyd and Rudolph Farber, Crowder College/City of Neosho; Otis Williams, St. Louis Development Corporation; Keith Wenzel, Hendren & Andre; and Chris Blank, Associated Press

To accommodate visitors representing specific requests, the agenda for the meeting was rearranged as follows.

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**I. Secretary's Report**

Secretary Neff

Secretary Neff presented for approval the minutes from the November 15, 2005, meeting. Copies of the minutes, included in the Board packet, 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 Solberg seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr 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 four months ended October 31, 2005. Treasurer Grumney commented that revenues were up due to parking garage revenues and an increase in interest rates. Treasurer Grumney also commented that operating expenses were higher due to the write-down of draws for the construction of the Old Post Office loan. There being no questions or additions, Treasurer Grumney made a motion to approve the treasurer's report as submitted. Secretary Neff seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr and Steinhoff

Chairman Kinder declared the motion passed.

**VII. New Business**

**B. St. Louis Army Ammunition Plant  
Request for Environmental Remediation Guarantee**

Robert Miserez

Mr. Miserez reported on the request from the City of St. Louis acting through the St. Louis Development Corporation (the "SLDC") requesting the Board secure a line of credit up to \$1.8 million payable to the Missouri Department of Natural Resources and also drawable by the U.S. Army. DNR would only draw funds if the City fails to adequately remediate environmental conditions at the old

St. Louis Army Ammunition Plant, approximately an 18-acre site off of Goodfellow and I-70. The Land Clearance for Redevelopment Authority of the City of St. Louis (the "LCRA") plans to take title of the property from the GSA for \$200. Mr. Miserez explained it was SLDC's intent to obtain a developer to redevelop the site. The EDA has already approved a \$1 million grant (\$950,000 net EDA fees) to LCRA to pay over half of the known remediation costs. Mr. Miserez explained that the Board funding source for the line of credit would be from the Gateway Mall loan proceeds. The SLDC requested the term of the line of credit be extended to as long as six years to allow ample time to complete the remediation. Mr. Miserez reported that he was advised by the Missouri Attorney General's office that if there were any additional problems identified on the site, not currently identified when LCRA takes title, those costs remain the responsibility of the U.S. Army to clean up and that there would be no extra costs incurred by SLDC or any other party. Mr. Miserez introduced Mr. Otis Williams from the St. Louis Development Corporation.

Mr. Williams stated that the project is one of the higher priorities in the City of St. Louis and that the property has been idle for approximately 15 years. Mr. Williams reported that a developer has been selected and negotiations with retailers to locate at this site are underway. Mr. Williams was available for questions.

Member T. Wilson asked how the Board would be reimbursed if the line of credit is funded. Mr. Williams replied that along with the EDA grant, the SLDC would be prepared to pay the remainder. Mr. David Queen, Board counsel, reported that there is a reimbursement agreement between the LCRA and MDFB that provides for both payment of interest and principal on any draws. The agreement carries the principal for six years corresponding to the final term of the line of credit, which would become an interest-bearing note for that period.

Mr. Williams reported that it is the SLDC's intent to have the site completely developed within the next 24-30 months.

Secretary Neff made a motion to approve the authorization of the line of credit up to six years to the LCRA in the amount of \$1.8 million payable to DNR and also drawable by the U.S. Army for the St. Louis Army Ammunition Plant redevelopment project. Member Lindsey seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr and Steinhoff

Chairman Kinder declared the motion passed.

A. City of Neosho — Crowder College  
Request for Tax Credit for Contribution

Pamela Hill

Ms. Hill presented the City of Neosho's application for the principal benefit of Crowder College's Missouri Alternative and Renewable Energy Technology (MARET) Center that will be located on the Neosho Crowder College campus. The City requested \$1 million in credits to leverage contributions of \$2 million; \$500,000 in credits in 2005 and \$500,000 in credits in 2006. The credits would be used to partially pay costs associated with construction of a state-of-the-art building that will be a model for several new programs and services for all the best practices known for solar and thermodynamic technology. Ms. Hill reported the total project cost is \$8.9 million and that significant funding was coming from other sources. Ms. Hill also reported that because of the success of its solar energy program, the Missouri Legislature designated Crowder College as a state center for solar education.

Ms. Hill indicated that normally the process has two steps, but in the interest of time and to be able to utilize the available \$500,000 in tax credits for 2005, staff recommended approval of the application.

Ms. Hill introduced Dr. Steven Gates from Crowder College. Dr. Gates thanked Ms. Hill for her report and commented that the college is trying to have a positive, long-term impact on the economic development in southwest Missouri, particularly through the form of viewing the commitment to renewable energy. Dr. Gates introduced Mr. Art Boyd who reported that Missouri imports most of its energy and that Missouri spends \$9 billion on primary energy each year causing funds to leave the state. The MARET Center supports industries that would reverse the funds leaving the state and could be reinvested by providing jobs and economic development throughout the state.

Member Solberg asked how the Center would be marketed. Dr. Gates replied they have great resources and networks to build on, including the Department of Energy and DNR, and have been involved with DOE activities specific to solar competitions around the country and around the world.

Chairman Kinder made a motion to approve the application as submitted for \$1 million in tax credits allowing \$500,000 in credits in 2005 and \$500,000 in credits in 2006. Member T. Wilson seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp,  
T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr and Steinhoff

Chairman Kinder declared the motion passed.

### **III. Department of Economic Development Report**

Director Steinhoff

In Director Steinhoff's absence, Mr. Mike Mills, Deputy Director, reported that it had been a busy year for DED and stated that DED had assisted businesses in achieving a net increase of approximately 30,000 jobs. The Department also had some major projects during the year that involved MDFB. Mr. Mills reported that the Department is looking forward to next year, including further development of new policies and programs. Mr. Mills stated one of DED's goals during the next year is to work with private institutions within the state to increase research efforts that result in increasing the introduction and transfer of technologies into the private sector.

### **IV. Department of Agriculture Report**

Director Ferrell

Director Ferrell reported on the Quality Systems Assessment for animal agriculture and that Missouri has become the first state in the U.S. to receive an umbrella designation by USDA to support the QSA industry in the state. Director Ferrell stated that Missouri is No. 2 in the number of cow-calve operations in the U.S. and to further encourage growth in this area he will be leading a trade delegation to Japan and Taiwan in January. Director Ferrell also reported on the efficiencies and economic benefits of co-locating agricultural feedlots and dairies next to ethanol plants and the Department's efforts in assisting producers achieve these mutually beneficial goals. Director Ferrell stated that the Department would be giving a feasibility presentation in Macon on these dairy initiatives. Director Ferrell concluded by reporting the Department will have a number of positive announcements forthcoming in 2006.

### **V. Lieutenant Governor's Report**

Lt. Governor Kinder

In the interest of time, the Lt. Governor stated he did not have a report for this meeting.

### **VI. Old Business**

#### **A. Office of Administration — Northwest Missouri Center of Excellence for Plant Biologics**

Robert Miserez

Mr. Miserez reported that the project was originally presented to the Board in August 2005. He added that there had been a considerable amount of work on this project including numerous discussions with legislators and the direct parties involved since then. Mr. Miserez reported that considerable progress had been made in addressing questions and concerns raised by legislators and that these efforts were being led by DED Deputy Director Mike Mills. Mr. Miserez concluded by reporting that the project had been downsized from the \$23 million proposal presented in August to approximately \$12 million and would include federal funding commitments prior to any state funding being advanced.

Mr. Miserez reported that today's request and recommendation was for the Board to authorize a interim loan of up to \$6 million to NWMSU to maintain the construction schedule, but that loan proceeds would not be disbursed until federal funding commitments were received and the Legislature reaffirmed its support to appropriate funding to support a Board bond issuance that would provide permanent financing and reimburse any interim loan proceeds disbursed.

Mr. Miserez introduced Mr. Mills to give a more detailed overview of the project evolution and current status. Mr. Mills emphasized that DED had reaffirmed support from the key leaders in the House and Senate for a new financing structure that provides a reasonable share between federal, state and local or University funding. Mr. Mills reported the Legislative leaders intend to reaffirm its financial participation in the project and issuance of bonds as early as possible via resolutions in both bodies during the upcoming session.

Mr. Mills asked the Board for a resolution of support and asked that language in the resolution include: supporting the industry of plant-made output products, specifically plant-made pharmaceuticals, recognition of the potential impact on the Missouri economy, as well as the producer's well being, and that MDFB support is conditioned upon the passage of the resolution, to issue a line of credit available for up to \$6 million. Once the Legislature issues its resolution of support, the Board would issue bonds to repay the interim loan. The bond repayment source would be annual appropriations to the Office of Administration.

Mr. Queen stated that a resolution supporting Mr. Mill's language with the clarification that MDFB does not fund a bridge loan until such time that the Legislature affirms its appropriation could be made if a Board member so chose.

Chairman Kinder made a motion to adopt a resolution of support conditional upon Legislative approval and approval of the pre-application by EDA. Chairman Kinder also noted that MDFB recognizes the importance of plant sciences to the future economy of Missouri, that MDFB supports NWMSU's efforts to bring this type of business to our state pending Legislative action, and that the Board is willing to support and make an interim loan upon the occurrence of these events. Member R. Wilson seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp,  
T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr and Steinhoff

Chairman Kinder declared the motion passed.

B. Union Station  
Operation and Capital Endowment

Pamela Hill

Ms. Hill reported on Union Station's request to release capital endowment funds of \$3.5 million for their 2006 operating budget. The funds are held by the Greater Kansas City Community Foundation and were originally capitalized with contributions to the Board for tax credits. Ms. Hill reported that in November 2004, the Board approved the use of \$6 million of endowment funds for Union Station's 2005 operating budget. At that time it also was requested and recommended that another \$6 million be authorized for 2006.

The Board approved the use of these funds as requested for 2005 and Union Station used \$5.5 million in 2005. The Board determined they wanted to consider the matter again for 2006 and would take into this consideration efforts made by the City in placing a mill tax levy increase on a ballot and efforts by the Hall Family Foundation and others to replenish the Endowment.

Ms. Hill referenced the Mayor's Union Station Task Force Report included in the Board packet that concluded operations alone are not and will not be sufficient to maintain Union Station and that they will need additional and ongoing public funding to support operations. Staff recommended approval of the release of up to \$3.5 million in endowment funds for operating shortfall needs for 2006.

Member Solberg expressed concern that Union Station was not meeting the criteria that was approved at the November 2004 Board meeting. Ms. Hill commented that Mr. Miserez had spoken to Mr. Bill Hall regarding the status of the fundraising for the endowment and was advised that until the long-term solution to cover operating costs is in place, they would not be able to raise private contributions to replenish the endowment.

Member Solberg continued by saying that it was understood and agreed upon that Union Station was not going to be able to support itself and that it would have to have public money for continuing operations. Mr. Miserez stated that staff had spoken to Mr. Andi Udris and asked why this mill levy issue was not placed on a 2005 ballot, and why they were now advising the plan was to place it on a 2007 ballot. Mr. Udris advised they believed strongly that there were and are other priorities at the local level and they concluded the Union Station mill levy might adversely affect those priorities and not have sufficient support for passage if combined with those items.

Member Solberg asked that the Union Station request be tabled until the January 2006 meeting and that representatives from Union Station be present to discuss their request.

Member T. Wilson asked what would happen to Union Station if the Board did not approve the request. Mr. Queen replied that he believed MDFB approval could be temporarily delayed without an interruption to the Union Station operations and that Union Station would find funding from another source in the

interim. Mr. Queen continued by saying there are many policy issues as to what extent the Board would use its role in this transaction to try to control the ultimate success or failure of this project and whether using that control could obligate the Board to being part of any solution. Mr. Queen commented that the Board should revisit past agreements, motions and requirements.

Member Solberg made a motion to table the Union Station request until the January 2006 meeting. Treasurer Grumney seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr and Steinhoff

Chairman Kinder declared the motion passed.

C. MDFB Retreat Action Steps

Robert Miserez

Mr. Miserez reported on the draft Retreat Action Steps and Code's of Conduct that were included in the Board packet. The Action Steps were tabled at the November meeting in anticipation of a December in-person meeting. Due to this meeting being held via telephone conference call, Mr. Miserez recommended the approval of only Action Step No. 2 to increase the fee on tax credit contributions to 4% beginning January 1, 2006. Mr. Miserez reported that DED is in support of the increase.

Mr. Miserez recommended that all other Retreat Action Steps be deferred until the January meeting.

Secretary Neff made a motion to approve Action Step No. 2 thereby increasing the Board's fees on all tax credit contributions to 4% beginning January 1, 2006. Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, T. Wilson, Ferrell and Kinder

Nay: None

Absent: Starr and Steinhoff

Chairman Kinder declared the motion passed.

Mr. Queen clarified that the fee increase is effective for all contributions received after December 31, 2005, except for the Board's existing contracts. Mr. Queen continued by stating that any new proposal for tax credits or those requesting

modifications to current contribution schedules, including those presented at the November 2005 meeting, will be subject to the new fee schedule.

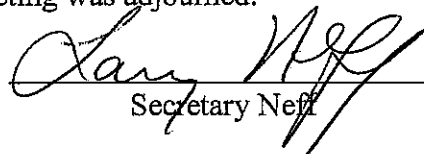
**VIII. Miscellaneous**

Robert V. Miserez

In the interest of time, Mr. Miserez stated he would defer his report until the January meeting.

**IX. Adjournment**

There being no further business, Secretary Neff motioned to adjourn the meeting. Member Hill seconded the motion. The meeting was adjourned.

  
Secretary Neff