

Minutes
Missouri Development Finance Board
Governor Office Building
200 Madison, Suite 1000
Jefferson City, MO

December 21, 2004

The Missouri Development Finance Board met in regular session on Tuesday, December 21, 2004, 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:

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	Secretary and 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

Chair Solberg declared that a quorum was present and called the meeting to order. In addition to the above, those in attendance included: Kathleen Barney, Pamela Hill, Tonya Loucks, Krystal Sabartinelli and Cheryl Morgan, Board staff; Jim Caldwell, Board Counsel, and Dennis Mitchell, Piper Jaffray, on behalf of the City of Independence.

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the November 16, 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 Hofherr seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Lt. Governor Maxwell

Chair Solberg declared the motion passed.

It was announced that Treasurer Burch has resigned from the Board effective December 31, 2004. Chair Solberg thanked him for his service to the Board and wished him well in his new Gubernatorial appointment to the State Appellate Judicial Commission.

II. Treasurer's Report

Treasurer Burch

Treasurer Burch presented for approval the treasurer's report as of and for the month ending November 30, 2004. There being no questions, corrections or additions, Treasurer Burch made a motion to approve the treasurer's report as submitted. Member Hill seconded the motion. The following roll call vote was recorded:

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

Nay: None

Chair Solberg declared the motion passed.

III. Department of Economic Development Report Director Simmons

Chair Solberg bid farewell to Member Simmons, Member Hofherr and Lt. Governor Maxwell and thanked them for their service and contributions to the Board.

Director Simmons reported that the unemployment rate is up two-tenths of a point to 5.8% in November, but also included that between October and November 2004, Missouri added 7,800 jobs. Between November 2003 and November 2004, Missouri's employment is up by 41,400 jobs or 1.5%. Missouri ranked 6th in the nation in November for job growth. Director Simmons stated that manufacturing continues to be up by 4,500 or 1.4%. Missouri ranked in the top 10 states in job growth in 8 of the last 10 months with respect to the manufacturing sector.

Director Simmons reported that overall it's been a good year for state job growth and reported that Missouri added 42,600 jobs between January and November. Missouri ranked in the top 5 in the Nation in job creation four times in 2004 and continued to rank in the Purchasing Managers Index over 50 for the last three years. Director Simmons reported that on a percentage basis the State continues to show strong job growth. Director Simmons also stated there is a need to concentrate on where the jobs are, what they will be paying, and monitor and compare the wage levels of new jobs to those leaving Missouri. Director Simmons reported that DED successfully opened an office in China. In regards to exports, Missouri is ranked 6th in the nation; Canada being the largest buyer we export to.

In closing, Director Simmons stated that there are a record number of new businesses being created in the State.

IV. Department of Agriculture Report Director Hofherr

Director Hofherr reported that President Bush has selected a new nominee for Secretary of Agriculture, which is former Nebraska Governor Joe Hunt. Director Hofherr indicated that it is very important that we rethink the rural development policies at the federal level and how we approach international trade. Agriculture in Missouri continues to enjoy a good year reflected by a good harvest. The prices have been low in some areas, but Director Hofherr stated he believes the future is bright for Missouri.

Director Hofherr expressed his appreciation to the Board members and stated that he believes rural Missouri will move ahead as the Department of Agriculture increasingly works more closely with the Department of Economic Development, DNR and other agencies in forging strategic relationships, and that partnership is key to revitalizing rural Missouri.

V. Lieutenant Governor's Report Lt. Governor Maxwell

Lt. Governor Maxwell began by thanking the Board for having the opportunity to have served on the Board and wished everyone well.

Chair Solberg reiterated Lt. Governor Maxwell's statement and wished him well.

VI. Old Business

A. City of St. Joseph Robert V. Miserez
Final Authorization Resolution

Mr. Miserez presented an application from the City of St. Joseph for the issuance of revenue bonds in Series 2004C & Series 2004D. Mr. Miserez reported that the Series C, in an amount not to exceed \$12,500,000, was part of a previously adopted Preliminary Resolution associated with the sewer infrastructure support financing for Triumph Foods. The City also has added \$6,860,000 in public safety bonds for fire

and police safety enhancements to this bond issue. Mr. Miserez recommended approval of the enclosed Authorizing Resolution.

Member Neff made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS (CITY OF ST. JOSEPH, MISSOURI — SEWERAGE SYSTEM IMPROVEMENTS PROJECT), SERIES 2004C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$12,500,000, AND INFRASTRUCTURE FACILITIES REVENUE BONDS (CITY OF ST. JOSEPH, MISSOURI — PUBLIC SAFETY IMPROVEMENTS PROJECT), SERIES 2004D, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$8,000,000, TO PROVIDE FUNDS TO BE LOANED TO THE CITY OF ST. JOSEPH, MISSOURI; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS AND THE MAKING OF SUCH LOANS.

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

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

Nay: None

Chair Solberg declared the motion passed.

- B. City of Independence Robert V. Miserez
Final Authorization Resolution

Mr. Miserez reported that the City of Independence was requesting the issuance of infrastructure development bonds in an amount not to exceed \$10,000,000 for acquisition of equipment for fire department and police department improvements. The City will finance the improvements using sales taxes dedicated for public safety purposes. Mr. Miserez recommended approval of the project.

Member Lindsey made a motion to adopt the following final resolution authorizing:

RESOLUTION AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS (CITY OF INDEPENDENCE, MISSOURI — PUBLIC SAFETY PROJECTS), SERIES 2005, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$10,000,000, TO PROVIDE FUNDS TO BE LOANED TO THE CITY OF INDEPENDENCE, MISSOURI; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

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

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

Nay: None

Chair Solberg declared the motion passed.

C. City of Kansas City — American Airlines Kathleen Barney
Tax Credit for Contribution

Ms. Barney began by reporting that the Board approved \$25,000,000 in contribution tax credits for improvements to the Kansas City Airport Department Overhaul Base currently leased to American Airlines. The original approval in May 2004 was to authorize the issuance of credits over a 10 to 25 year period. Staff reported that since the May action, it had continued to work with the City and Lessee in further finalizing the deal structure, and with the support of the DED, had reached an agreement with the parties to issue credits over a three fiscal year period providing a significantly lower amount of credits being issued. Ms. Barney recommended adoption of the Final Authorizing Resolution.

Mr. Miserez reported to the Board he has received the signed Joint Agreement from the three cabinet members necessary to exceed the \$10,000,000 cap necessary for this transaction.

Member Burch made a motion to adopt the following final resolution:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
APPROVING THE ACCEPTANCE OF A CONTRIBUTION OF A
LEASEHOLD INTEREST IN REAL PROPERTY HAVING A VALUE OF
NOT LESS THAN \$32,000,000 UNDER THE TAX CREDIT FOR
CONTRIBUTION PROGRAM FOR THE PURPOSE OF ASSISTING IN THE
FUNDING OF CERTAIN COSTS RELATING TO THE RENOVATION AND
IMPROVEMENT OF THE AMERICAN AIRLINES OVERHAUL BASE
PROJECT IN KANSAS CITY, MISSOURI.**

Member O'Mara seconded the motion. The following roll call vote was recorded:

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

Nay: None

Chair Solberg declared the motion passed.

D. Governor Office Building
Relocation of Board Office

Robert V. Miserez

Mr. Miserez began by reiterating his prior status reports to the Board at previous meetings regarding the office move. Mr. Miserez provided a current status update reporting that the move has been completed and staff is busy unpacking. Mr. Miserez concluded by advising that Counsel recommended the Board affirm the move with the adoption of a motion.

A motion was made by Member Simmons to ratify the move. Member Wilson seconded the motion. The following roll call vote was recorded:

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

Nay: None

Chair Solberg declared the motion passed.

VII. Department of Agriculture Request

Robert V. Miserez

Mr. Miserez stated a request was received from the Department of Agriculture for a \$40,000 matching grant from the Board to add to \$20,000 from the Agriculture and Small Business Development Authority, to obtain a \$60,000 federal EDA grant. The \$120,000 total is to fund a statewide assessment of the current development status of life and plant sciences businesses and develop strategies and policies to strengthen those industries. Mr. Miserez further reported this effort is targeted primarily to rural areas throughout the State. Mr. Miserez turned the discussion over to Peter Hofherr.

Member Hofherr further explained the focus of the study and reported the EDA grant was approved based upon the efforts of Senator Bond. Member Burch made a motion to approve the grant. Member Lindsey seconded the motion. The following roll call vote was recorded.

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

Nay: None

Chair Solberg declared the motion passed.

VIII. Executive Director's Report

Robert V. Miserez

Mr. Miserez reported that Harvester's requested their credits be carried forward into 2005. Mr. Miserez advised the Board he had informed Harvester's that the Board has no authorization to carry the credits forward and that Harvester's stated they will work diligently to use most of the contributions in 2004.

Mr. Miserez stated that the Joint Agreement to increase the cap for the Kansas City Airport Overhaul Base and Kansas City Performing Arts Center has been signed and returned to this office.

Mr. Miserez reported that Valerie Haller, the new Executive Assistant, has been hired and will start working for the Board on December 30, 2004.

Mr. Miserez reported he is working on finalizing a request from the DED Community Development Program to let an RFP to hire either a law firm or other professional economic development consultant to create a financial resources guide to explain DED and Board programs in layman's terms to local economic development practitioners and business. The guide is to be targeted to the non-metro areas of the state.

IX. Adjournment

There being no further business, the meeting was adjourned.

Secretary Neff