

CHAIRMAN:
PETER D. KINDER
LIEUTENANT GOVERNOR

MEMBERS:
JOHN D. STARR
LARRY NEFF
NELSON C. GRUMNEY, JR.
PAUL S. LINDSEY
RICHARD J. WILSON
JAMES D. HILL
L. B. ECKELKAMP, JR.
DANETTE D. PROCTOR



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

MATT BOATRIGHT
INTERIM DIRECTOR,
AGRICULTURE

DOYLE CHILDERS
DIRECTOR,
NATURAL RESOURCES

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

MARCH 27, 2007

The Missouri Development Finance Board met in regular session on Tuesday, March 27, 2007, beginning at 10:30 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	Absent
Larry D. Neff	Secretary and Member	Present
Nelson C. Grumney, Jr.	Treasurer and Member	Present*
James D. Hill	Member	Present
Paul S. Lindsey	Member	Present
Richard J. Wilson	Member	Present
L. B. Eckelkamp, Jr.	Member	Absent
Danette D. Proctor	Member	Present
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Absent
Matt Boatright	Acting Director, Dept. of Agriculture and Member	Present
Doyle Childers	Director, Dept. of Natural Resources and Member	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. Chairman Kinder welcomed new Board member, Danette Proctor.

In addition to the above, those in attendance included:

Board Staff: Pamela Hill, Kathleen Barney, Krystal Davis and Valerie Haller

Others Present: Jerry Dowell, Lieutenant Governor's Office; Mike Mills, Missouri Department of Economic Development; Frank Finnegan and Verletta Cole, St. Louis Area Foodbank; Pete Rahn, Ken Warbritton and Jay Moore, Missouri Department of Transportation; Deanna Wilson and Sarah Griffin, UMB Bank; and Keith Wenzel, Hendren & Andre

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

I. Secretary's Report Secretary Neff

Secretary Neff presented for approval the minutes from the February 20, 2007 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: Neff, Grumney, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Lindsey, 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 seven months ended January 31, 2007. 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. Director Childers seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Lindsey, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

III. Department of Economic Development Report Deputy Director Mills

In Director Steinhoff's absence, Deputy Director Mike Mills reported statewide unemployment is down to 4.6%; a low point since pre-September 11, 2001. Missouri continues to set new records for total number of jobs created each month.

Mr. Mills reported that legislation items continue to keep the Department busy as they also continue to work on the budget.

Mr. Mills commented that Analytical Bio-Chemistry Laboratories held their groundbreaking at Discovery Ridge in Columbia, Mo. He also commented that the University of Missouri – Columbia’s Research Animal Diagnostic Institute Laboratory project, being reviewed by the Department and the Board, will begin their site-prep at Discovery Ridge in the next two to three months. Mr. Mills thanked the Board for its support on both of these projects.

IV. Department of Agriculture Report

Director Boatright

Director Boatright reported the Department continues to work closely on the beef branding and biofuel initiatives. Director Boatright commented the Department continues to grow and develop the animal agriculture in the State and remains engaged in partnerships with other departments and divisions and appreciates the help and collaboration they are receiving from other agencies.

Director Boatright stated Director Steinhoff and Senator Bond’s trip to Asia was very successful and Missouri beef is again being accepted into Japan. Secretary Neff asked what impact the corn-based biofuel industry would have on corn prices. Director Boatright stated corn acreage has increased approximately 10% across the nation and he believed additional acres would be planted which would stabilize prices.

Member Lindsey arrived at the meeting.

V. Department of Natural Resources

Director Childers

Director Childers reported on the Department’s legislative items including an allocation of funds for bonding to be used in smaller communities throughout the State for rural water and sewer grants.

VI. Lieutenant Governor’s Report

Lt. Governor Kinder

Chairman Kinder reported on the Tour of Missouri Bike Race to be held September 11-16, 2007. The route for the race has been announced and will begin at The Plaza in Kansas City and will continue to Clinton, Springfield, Branson, Lebanon, Columbia, Jefferson City, St. Charles and will finish at the Arch in St. Louis. Chairman Kinder stated the tour will be broadcast on the Versus Network, formerly the Outdoor Life Network. Corporate sponsors include Build-A-Bear Workshops, Monsanto, Anheuser-Busch and Edward D. Jones.

VIII. New Business

C. MoDOT Preliminary Bridge Funding Request
Revenue Bond Issue

Robert V. Miserez

Mr. Miserez presented the request from the Missouri Highways and Transportation Commission and the Missouri Department of Transportation (“MoDOT”) to adopt a preliminary Resolution of Intent to issue up to \$600 million in private activity revenue bonds to fund the Safe and Sound Bridge Improvement Project program. Mr. Miserez introduced Pete Rahn, Director of MoDOT.

Mr. Rahn gave a brief presentation on the program. The program is designed to quickly improve, replace or rehabilitate approximately 800 of Missouri’s 10,200 bridges with a project completion date of December 31, 2012. Currently there are 1,024 structurally deficient bridges in the State. Mr. Rahn stated the successful team would be required to maintain the bridges in good condition for a minimum of 25 years.

Mr. Rahn reported the estimated cost of the project is between \$400 and \$600 million in construction costs. MoDOT will make payments to the borrower commencing at the end of the initial construction period and continue for a minimum of 25 years coinciding with the maintenance period. Mr. Rahn stated the majority of the construction work will be done by Missouri companies.

MoDOT has applied to the United States Department of Transportation (“USDOT”) for a \$600 million allocation for private activity bonds. USDOT requires MoDOT to submit a Resolution of Intent from a qualified issuer prior to it considering whether to grant this private activity tax-exempt bonding authorization which is outside of the regular State cap. Mr. Rahn was available for questions.

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

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY EXPRESSING THE INTENT OF THE BOARD TO
ISSUE TAX-EXEMPT REVENUE BONDS IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$600,000,000 TO FINANCE
THE COSTS OF REPLACING, IMPROVING OR REHABILITATING
BRIDGES IN THE STATE OF MISSOURI.**

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

Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

VII. Old Business

- A. Analytical Bio-Chemistry Laboratories Robert V. Miserez
BUILD Final Authorizing Resolution

Mr. Miserez presented the Final Authorizing Resolution for ABC Laboratories. The Board adopted a preliminary resolution at its March 2006 regularly scheduled meeting to issue up to \$2.1 million in BUILD bonds. Mr. Miserez stated the company currently employs 240 individuals and will create 200 new permanent jobs all averaging an approximate annual wage of \$44,000. Staff recommended adoption of the Final Authorizing Resolution.

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

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (ANALYTICAL BIO-CHEMISTRY LABORATORIES, INC. PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,065,000 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 ANALYTICAL BIO-CHEMISTRY LABORATORIES, 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 Lindsey seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

- B. Kauffman Performing Arts Center Kathleen Barney
Final Bond Authorizing Resolution

Ms. Barney presented the application and Final Bond Authorizing Resolution for the Kauffman Center for the Performing Arts requesting tax-exempt bonds not to exceed \$175 million for construction of the Center. The Center also has received tax credit for contributions for this project.

Ms. Barney reported the project cost is approximately \$291 million, not including a \$35 million garage to be built by the City. Debt service will be paid by the Muriel McBrien Kauffman Foundation and the Ewing Marion Kauffman Foundation will guarantee the bonds. Staff recommended approval of the bonds and the Final Authorizing Resolution.

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

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS REVENUE BONDS (KAUFFMAN CENTER FOR THE PERFORMING ARTS PROJECT) IN ONE OR MORE SERIES, THE AGGREGATE PRINCIPAL AMOUNT OF ALL SERIES NOT TO EXCEED \$175,000,000 FOR THE PURPOSE OF MAKING A LOAN TO KAUFFMAN CENTER FOR THE PERFORMING ARTS TO PROVIDE FUNDS TO FINANCE, REFINANCE AND REIMBURSE THE COSTS OF CERTAIN CULTURAL FACILITIES; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID SERIES OF BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID SERIES OF BONDS.

Director Childers seconded the motion. The following vote was recorded:

- Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder
- Nay: None
- Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

C. City of Independence Public Entity Bond Kathleen Barney
Request for Refunding of Bonds (Eastland Center,
Hartman Heritage Centre and Santa Fe Projects) and
New Issue for Drumm Farm Project

Ms. Barney reported on the proposed refund of three series of bonds for the City of Independence. The Series 2007A Eastland Center Project for bonds in a principal amount not to exceed \$18 million and is a refund of the Series 2000A, 2000B, 2001 and 2002 Eastland Bonds. The Series 2007B Hartman Heritage Centre Project for bonds in a principal amount not to exceed \$10 million and is a refund of the Series 2000A Hartman Heritage Bonds. The Series 2007C Santa Fe Redevelopment Project for bonds in a principal amount not to exceed \$11 million and is a refund of the Series 2001 Santa Fe Bonds. Ms. Barney also reported on

the new Series 2007D Drumm Farm Project for bonds in a principal amount not to exceed \$1.1 million.

Ms. Barney reported the City would be solely responsible for the repayment of the bonds and the refunding of the three issues would save the City just under \$1.8 million on a present value basis. Also, the MDFB second loss reserve for the Eastland Center and Hartman Heritage Centre Project will no longer be needed for the refunding.

Staff recommended approval of the Final Authorizing Resolution to issue bonds in an amount not to exceed \$39,600,000.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF FOUR SERIES OF INFRASTRUCTURE FACILITIES REVENUE BONDS FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$39,600,000, TO PROVIDE FUNDS TO BE LOANED TO THE CITY OF INDEPENDENCE, MISSOURI FOR THE PURPOSE OF FINANCING OR REFINANCING COSTS RELATED TO FOUR 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 vote was recorded:

Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

- D. Banking Account Changes Pamela Ives Hill
Bank Resolutions to Change Number of Signors
and to Cash Management Investment Account

Ms. Hill presented for approval resolutions authorizing changes in MDFB bank accounts with Central Bank.

Ms. Hill reported that with a change in Board policy authorizing two signors for checks over \$10,000, it is required that a new Board resolution be adopted authorizing the change in the operating checking account.

Ms. Hill reported an additional resolution was needed to authorize and approve making all of the six accounts with Central Bank, Cash Management Investment checking accounts — these accounts utilize repurchase agreements as investments for the ending daily balance in the account.

Staff recommended approval of adoption of the resolutions authorizing two signors for checks over \$10,000 and that all accounts with Central Bank are Cash Management Investment accounts.

Director Boatright made a motion to adopt the resolutions as presented. Secretary Neff seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

VIII. New Business (cont'd)

- A. City of New Hampton Pamela Ives Hill
MIDOC Loan

Ms. Hill presented for approval the City of New Hampton's MIDOC Loan request for funds to fill the financing gap to repair its water storage tower. The City has needed to repair the water storage tower for some time to meet DNR-Division of Environmental Quality ("DEQ") requirements, and in April 2006 the City retained Utility Service Company to inspect the tower. The low bid to complete the repairs is \$47,750. The City is willing to commit \$17,750 of local cash.

Staff recommended approval of the application for a \$30,000, 3%, 10-year MIDOC loan.

Secretary Neff made a motion to approve the application as submitted. Member Wilson seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

B. St. Louis Area Foodbank, Inc.
Tax Credit for Contribution

Kathleen Barney

Ms. Barney presented the application from St. Louis County for \$1.5 million in tax credits to raise \$3 million in contributions on behalf of the St. Louis Area Foodbank, Inc. Ms. Barney reported the Board approved issuance of \$4 million in tax-exempt bonds for the Foodbank in August 2006 to purchase, improve and equip a building at 70 Corporate Woods in Earth City. Ms. Barney introduced Mr. Frank Finnegan with the St. Louis Area Foodbank.

Mr. Finnegan gave a brief explanation that the Foodbank serves 14 counties in Missouri and 12 counties in Illinois. The majority of its services are provided in Missouri and they distribute approximately 12 million pounds of food to over 500 food pantries, homeless shelters, soup kitchens and emergency feeding programs. Mr. Finnegan was available for questions.

Staff recommended approval of authorizing \$750,000 in tax credits in calendar year 2007 and \$750,000 tax credits in calendar year 2008.

Secretary Neff made a motion to approve the request as presented. Member Wilson seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Lindsey, Wilson, Hill, Proctor, Boatright, Childers and Kinder

Nay: None

Absent: Starr, Eckelkamp and Steinhoff

Chairman Kinder declared the motion passed.

IX. Miscellaneous

Robert V. Miserez

Mr. Miserez reported the State Auditor's Office had released its audit on the Board and he distributed copies of the audit. Mr. Miserez briefly discussed the audit findings specifically pointing out errors and erroneous assumptions the Auditor's Office misapplied to reach unsubstantiated and misleading conclusions.

Mr. Miserez reported on the New Markets Tax Credit application that was submitted as a joint effort by the Board and DED, and especially thanked Ms. Barney for coordinating the effort and the other Board and DED staff that assisted. Staff feels optimistic about the application and hopes for a positive response.

Mr. Miserez reported the MDFB Finance Committee would convene immediately after the regular Board meeting.

X. Adjournment

Member Wilson made a motion to adjourn the meeting. Secretary Neff seconded the motion. There being no further business before the Board, the meeting was adjourned.

[Secretary Neff's Signature]