

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
S. LEE KLING



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

KATIE SMITH
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

APRIL 15, 2008

The Missouri Development Finance Board met in regular session on Tuesday, April 15, 2008, 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	Present
Larry D. Neff	Secretary and Member	Present*
Nelson C. Grumney, Jr.	Treasurer and Member	Present
Richard J. Wilson	Member	Absent
L. B. Eckelkamp, Jr.	Member	Present*
Danette D. Proctor	Member	Present*
John E. Mehner	Member	Present
S. Lee Kling	Member	Present*
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Present
Katie Smith	Director, Dept. of Agriculture and Member	Present
Doyle Childers	Director, Dept. of Natural Resources and Member	Absent
Robert V. Miserez	Executive Director and Assistant Secretary	Present

*Participated via telephone conference call.

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; Jeff Staake, Missouri Department of Natural Resources; Kathy Higgins, Paul Higgins, Celia Hosler and Jack Lane, Stages St. Louis; Libby Malberg, City of Chesterfield; Steve Anderson, St. Louis Economic Development Council; Mark Hood,

Brown Shoe Company; Larry Chapman, Bob Clark and Lance Cage, Clayco, Inc.; Sarah Davis and Greg Smith, Husch Blackwell Sanders LLP; Mike Heimericks, Missouri Department of Economic Development; Lisa Brown, St. Louis Business Journal; and Keith Wenzel, Hendren & Andre

The agenda for the meeting was rearranged as follows.

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the March 18, 2008 meeting. The minutes were included in the Board materials distributed in advance of the meeting. Secretary Neff noted a correction on the Diamond Area Fire Protection District project that the motion was to table the item only. Secretary Neff made a motion to approve the minutes with the noted correction. Director Steinhoff seconded the motion. The following roll call vote was recorded:

Aye: Neff, Grumney, Eckelkamp, Proctor, Mehner, Kling, Steinhoff, Smith and Kinder

Nay: None

Abstain: Starr

Absent: Wilson and Childers

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 eight months ended February 29, 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 roll call vote was recorded:

Aye: Starr, Neff, Grumney, Eckelkamp, Proctor, Mehner, Kling, Steinhoff, Smith and Kinder

Nay: None

Absent: Wilson and Childers

Chairman Kinder declared the motion passed.

III. Department of Economic Development Report

Director Steinhoff

Director Steinhoff reported the Department continues to focus on SB718 and HB2058.

Director Steinhoff stated the Department continues recruitment efforts with Bombardier Airlines to establish an assembly facility at Kansas City International Airport, which would be a landmark event and major economic development project for the State. The project has benchmarked 2,100 jobs with a \$6 billion economic impact.

Director Steinhoff reported the trade mission to China went very well and the Department continues to work on developing Lambert International Airport into an air cargo hub that would focus initially on China and Asia.

IV. Department of Agriculture Report

Director Smith

Director Smith reported the Department continues to work on their legislative package and is working to increase the cap on the MASBDA (Missouri Agricultural and Small Business Development Authority) tax credits.

Director Smith stated the Department led a very successful trade mission to Vietnam last month with a focus on the feed industry and feed additives.

V. Department of Natural Resources

Director Childers

In Director Childers' absence, Deputy Director Jeff Staake reported that most of the Department's activities recently have focused on flood response and recovery.

VI. Lieutenant Governor's Report

Lt. Governor Kinder

Chairman Kinder reiterated that the trade mission to China was a tremendous success and that a high-level Chinese delegation will be visiting St. Louis in the near future.

VII. New Business

A. City of Chesterfield — Stages St. Louis
Tax Credit for Contribution Application

Kathleen Barney

Ms. Barney presented the application from the City of Chesterfield for the benefit of Stages St. Louis ("Stages") for \$5 million in tax credits to raise up to \$10 million in contributions to the Board to be issued over a period of three calendar years.

Ms. Barney stated that Stages, a Missouri nonprofit, is a musical theatrical company that has four performance shows a year. Stages has been fundraising since 2004 to construct an 83,000 square-foot Regional Performing Arts Center and Academy in Chesterfield. To date, Stages contributions have reached approximately \$14.5 million, with \$6 million of that total attributed to a land contribution. Ms. Barney introduced Libby Malberg with the City of Chesterfield.

Ms. Malberg gave a brief description of the project and the economic importance to the city of Chesterfield. Ms. Malberg introduced Jack Lane, Executive Producer of Stages St. Louis.

Mr. Lane thanked the Board and staff for their assistance with their proposal and distributed a letter of support from Senator Michael Gibbons. Mr. Lane gave a brief PowerPoint presentation of the project and was available for questions.

Member Kling asked if there was competition from the St. Charles Family Center or any other types of theaters/facilities. Mr. Lane stated the arts organizations in St. Louis work together to help each other and he does not see any competition because Stages has a different venue than others.

Vice Chairman Starr asked about the economic area of the project. Mr. Lane stated Stages chose Chesterfield because of the support and resourcefulness of the community, and that a growing portion of their audience is coming from the western side of the metro area.

Chairman Kinder thanked the Stages representatives for their presentation and noted the item was for presentation only and that no action would be taken on the item at this time.

Member Kling asked if an arts project was viable at this time and if the project would be able to be completed without Board funding. Greg Smith with Husch Blackwell Sanders LLP responded that commitments had been made by substantial donors and he believes it is very sustainable but that many of these commitments are contingent upon receiving tax credits. Mr. Smith also noted the uniqueness of the venue that was locally grown and is an economic engine for the region. Mr. Smith also stated this venue is the sole provider in the St. Louis area that provides training to aspiring local artists.

Vice Chairman Starr questioned how many new jobs would be created in Missouri. Ms. Barney responded that Stages will add 86 new full-time jobs by 2014. Mr. Starr also questioned the relative affluence of this community and its need for Board tax credits to complete this project, and of the relative affluence of the majority of attendees at these performances. He noted that past arts projects that received tax credits were in economically depressed areas in need of redevelopment.

Upon the conclusion of discussion, Chairman Kinder thanked the representatives for the presentation and their responses to questions.

B. Brown Shoe Company Inc. Mike Golden
BUILD — Resolution of Intent

Mr. Golden presented the BUILD application from the Brown Shoe Company Inc. requesting issuance of BUILD bonds in an amount not to exceed \$8,258,500 as part of a financial package of incentives to allow the Company to retain their international headquarters in the St. Louis area.

Mr. Golden stated the Company intends to retain 625 to 630 jobs onsite, as well as add 500 to 700 jobs in a five-year period.

Chairman Kinder noted that Items B and C were intertwined and requested that Mr. Miserez give his presentation on Item C before continuing discussion on the BUILD bonds request.

C. Brown Shoe Company Inc. Robert Miserez
Tax Credit for Contribution Application

Mr. Miserez presented the tax credit for contribution application from the St. Louis County Port Authority on behalf of the Brown Shoe Headquarters Development requesting \$6 million in tax credits to raise \$12 million in contributions.

Mr. Miserez referenced the separate attachment noted as Appendix B that was included in the Board materials distributed in advance of the meeting. The information included narrative description of the project, a job growth chart, sources and uses of funds, and various maps and photos of the site.

Mr. Miserez stated Phase I consisted of construction of an approximately 585,000 square-foot corporate headquarters to be leased by Brown Shoe Company as the anchor tenant in a mixed use development in Clayton, MO. The development would be owned by an LLC formed by Clayco, Inc. and U.S. Equities, with Clayco serving as the master developer.

Mr. Golden introduced Mike Heimericks with the Missouri Department of Economic Development who gave a brief background on the project. Mr. Heimericks stated that during the last two years, Brown Shoe Company had the opportunity to explore three different options on the project — Option 1 was to stay and expand operations in Clayton, Missouri; Option 2 was to move all operations to Madison, Wisconsin; and Option 3 was to relocate the Clayton and Madison operations to the Dallas metropolitan area.

Secretary Neff questioned where the Board stood on contribution tax credits relative to last month's approval of tax credits to CORTEX and the Board's statutory cap. Mr. Miserez stated the approval for CORTEX and CET for

\$5 million of calendar year 2008 tax credits was authorized within the cap with the request that Director Steinhoff consider seeking the requisite approvals to take this outside the cap.

Vice Chairman Starr commented that the Brown Shoe project fits the Board's mission and goal and would have a huge positive economic impact to the State.

Director Steinhoff commented it would be better to keep the CORTEX/CET tax credits within the cap and to recommend the Brown Shoe project be approved to exceed the cap. Director Steinhoff suggested the Board's statutory cap policy be discussed at the retreat in October.

Vice Chairman Starr made a motion to approve \$6 million in tax credits to raise \$12 million in contributions contingent upon receiving authorization from the Director's of the Departments of Economic Development and Revenue and Commissioner of the Office of Administration to exceed the cap. Member Eckelkamp seconded the motion.

Director Steinhoff thanked Mr. Heimericks for his tremendous efforts on the project and stated it was a battle to keep the Brown Shoe Company in Missouri.

Treasurer Grumney commented the project warranted going outside the cap based upon the job retention, job creation and enormous amount of economic activity that would result from this investment.

With no further discussion and the motion on the floor, the following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Eckelkamp, Proctor, Mehner, Kling, Steinhoff, Smith and Kinder

Nay: None

Absent: Wilson and Childers

Chairman Kinder declared the motion passed.

B. Brown Shoe Company Inc. Mike Golden
BUILD — Resolution of Intent (cont'd)

Member Mehner made a motion to approve the following Resolution of Intent:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD PRELIMINARILY APPROVING A PROJECT FOR BROWN SHOE COMPANY, INC., AND DETERMINING THE INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$8,258,500 TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.

Director Steinhoff seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Eckelkamp, Proctor, Mehner, Kling, Steinhoff, Smith and Kinder

Nay: None

Absent: Wilson and Childers

Chairman Kinder declared the motion passed.

Bob Clark with Clayco, Inc., gave a very brief PowerPoint presentation showing models of the building and noting the development phases of the project. Larry Chapman thanked the Board for their patience and assistance. Chairman Kinder thanked Mr. Chapman for their commitment to the State.

D. Conway Partnership IRB Application Kathleen Barney
Resolution of Intent

Ms. Barney presented the application from Conway Partnership requesting issuance for Industrial Development Revenue Bonds not to exceed \$3,550,000. Conway Partnership is a real estate holding company that holds real estate for the St. Louis company, ACI Plastics.

Ms. Barney stated that in August 2007, ACI Plastics purchased PSM Plastics in Kansas City and renamed it ACI Plastics of Kansas City. The Kansas City operation distributes industrial plastic products, fabricates custom products, makes skylights and produces point of displays for retailers.

Ms. Barney reported the Company intends to purchase a 195,000 square-foot building and total project costs are expected to be approximately \$4 million. The Board is a conduit bond issuer and has no repayment obligation.

Staff recommended adoption of the Resolution of Intent for Bonds not to exceed \$3,350,000 subject to the Missouri Department of Economic Development approving an allocation for up to \$1.8 million in tax-exempt bonds of the total.

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

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR CONWAY PARTNERSHIP, A MISSOURI PARTNERSHIP, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$3,550,000 TO FINANCE THE COSTS OF SUCH PROJECT.

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

Aye: Starr, Neff, Grumney, Eckelkamp, Proctor, Mehner, Kling, Steinhoff, Smith and Kinder

Nay: None

Absent: Wilson and Childers

Chairman Kinder declared the motion passed.

Member Kling excused himself from the meeting for another commitment.

VIII. Miscellaneous

Robert V. Miserez

Mr. Miserez reported on the following:

- Mr. Miserez referenced the Tax Credit for Contribution Program History & Analysis report that was included with the Board materials distributed in advance of the meeting.
- Mr. Miserez and Kathleen Barney held a meeting with US Bank in St. Louis to discuss New Markets Tax Credits. Mr. Miserez indicated he hoped to convene a meeting of the Missouri Community Investment Corporation after the May Board meeting.
- Mr. Miserez distributed correspondence regarding projects that were requesting tax credits that were not eligible and were turned down by Board staff.
- The Council of Development Finance Agencies will be holding their annual meeting in St. Louis April 28 through May 1, and most of the staff would be attending.
- A Board member satisfaction survey will be mailed to Board members asking for their input.
- Mr. Miserez noted the Personal Financial Disclosure Statements for Board members and key staff need to be completed and submitted to the Missouri Ethics Commission by May 1.
- Mr. Miserez reported that Wonders of Wildlife informed him they had closed their doors for renovations beginning December 3, 2007 and intend to reopen in Spring 2009.
- Mr. Miserez reported he will attend a House Appropriations Tax Credit Committee meeting on April 16.

IX. Adjournment

There being no further business before the Board, Vice Chairman Starr made a motion to adjourn the meeting. Treasurer Grumney seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Eckelkamp, Proctor, Mehner, Steinhoff, Smith and Kinder

Nay: None

Absent: Kling, Wilson and Childers

The meeting was adjourned.

[Secretary Neff's Signature]