

CHAIR:
ELIZABETH T. SOLBERG

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



MISSOURI DEVELOPMENT FINANCE BOARD

EX-OFFICIO MEMBERS:
PETER KINDER
LIEUTENANT GOVERNOR

GREGORY A. STEINHOFF
DIRECTOR,
ECONOMIC DEVELOPMENT

FRED FERRELL
DIRECTOR, AGRICULTURE

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ

MINUTES
MISSOURI DEVELOPMENT FINANCE BOARD
Governor Office Building
200 Madison, Suite 1000
Jefferson City, MO

MAY 17, 2005

The Missouri Development Finance Board met in regular session on Tuesday, May 17, 2005, beginning at 10 a.m.

The following members and officers of the Board were present or absent at the meeting, as follows:

Elizabeth T. Solberg	Chair and Member	Present
John D. Starr	Vice Chairman and Member	Present
Larry D. Neff	Secretary and Member	Present
Nelson C. Grumney, Jr.	Member	Present
James D. Hill	Member	Present
Paul S. Lindsey	Member	Present
Richard J. Wilson	Member	Present
L. B. Eckelkamp, Jr.	Member	Present
Peter Kinder	Lieutenant Governor and Member	Present
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Present
Fred Ferrell	Director, Dept. of Agriculture and Member	Absent
Robert V. Miserez	Executive Director and Assistant Secretary	Present

Chair Solberg called the meeting to order and welcomed the newest Board member, L. B. Eckelkamp, Jr., 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

Visitors: Tony Stafford, MO Department of Agriculture; Ben Jones, Lt. Governor's Office; Emily Fox, Discovery Center of Springfield; Mary Lilly Smith, City of Springfield; Molly McGovern, Jim Eldridge, Eric Marshall, Jim Leuschke and Homer Williams, City of Kearney; Duncan Kincheloe, Gerald Feller, J.D. Lester and Leo Lawrenson, MAMU; Adam Woodard, A.G. Edwards; Rodney Gray, Hendren & Andre Law Firm; Dan Haug, Senate Appropriations Committee Staff; and Mike Mills and Judy Gehrke, DED

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the April 19, 2005, 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 Wilson seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Kinder, Steinhoff and Solberg

Nay: None

Absent: Ferrell

Chair Solberg declared the motion passed.

II. Treasurer's Report

Pamela Ives Hill

Ms. Hill presented for approval the treasurer's report as of and for the month ending March 31, 2005. There being no questions, corrections or additions, Secretary Neff made a motion to approve the treasurer's report as submitted. Member Hill seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Kinder, Steinhoff and Solberg

Nay: None

Absent: Ferrell

Chair Solberg declared the motion passed.

III. Department of Economic Development Report

Director Steinhoff

Director Steinhoff introduced Mr. Mike Mills, the new Deputy Director for DED, and also announced the appointment of Mr. Louis Mills as the Director of Office of Public Counsel with an effective date of May 18, 2005. Director Steinhoff reported on BRAC and the effect of it to Missouri with a net loss of 3,700 jobs — 2,100 jobs were primarily administrative or support in nature. Director Steinhoff indicated that DED will focus on retaining the jobs and the 131st National Guard at Lambert Airport in St. Louis. The net impact to the State could be as high as \$360 million in gross state product. Director Steinhoff reported on the U.S. Bio Conference that is being held in Philadelphia

June 16-19, 2005, and asked the Board for a \$5,000 sponsorship. With this request, a motion was brought before the Board to sponsor the conference. Secretary Neff made a motion to sponsor the conference for \$5,000. Lt. Governor Kinder seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Kinder, Steinhoff and Solberg

Nay: None

Absent: Ferrell

Chair Solberg declared the motion passed.

IV. Department of Agriculture Report

Tony Stafford

Mr. Tony Stafford was present in Director Ferrell's absence. Mr. Stafford reported that MDA also will have representatives at the U.S. Bio Conference. Mr. Stafford informed the Board of the Mid Missouri Energy Open House at Malta Bend being held Friday, June 3, 2005. This is an ethanol plant and the public is invited to attend.

V. Lieutenant Governor's Report

Lt. Governor Kinder

Lt. Governor Kinder had no information to report at the time.

VI. Old Business

A. Centocor Biologics, LLC — BUILD Missouri
Amendment to Authorizing Resolution

Tonya Loucks

Ms. Loucks reported that on April 20, 2004, the Board approved a Resolution of Intent denoting its intent to issue \$1,550,660 in BUILD Missouri revenue bonds, which required the bonds be issued within one year. Due to Centocor's change in attorney and its attention on obtaining Chapter 100 bond issue closing, Centocor missed the deadline. Staff recommended approval of amending the resolution to allow Centocor an extension of issuing the bonds no later than May 30, 2005.

Vice Chairman Starr made a motion to adopt the following resolution:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
AMENDING PRIOR RESOLUTIONS OF THE BOARD AND
AUTHORIZING THE ISSUANCE OF THE BOARD'S BUILD MISSOURI
REVENUE BONDS (CENTOCOR BIOLOGICS, LLC PROJECT), SERIES**

2005, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,550,600 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF CENTOCOR BIOLOGICS, LLC.

Secretary Neff seconded the motion. The following vote was recorded:

- Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Kinder, Steinhoff and Solberg
- Nay: None
- Absent: Ferrell

Chair Solberg declared the motion passed.

VII. New Business

- A. Missouri Association of Municipal Utilities (MAMU) Kathleen Barney
Tax Exempt Commercial Paper Authorization

Ms. Barney presented a request for the adoption of a Resolution of Intent for the issuance of up to \$50 million in tax-exempt commercial paper. The request would allow MAMU to fund municipalities ready to refund or fund utility improvements at closing and continue marketing to additional municipalities for another 18 months. The initial funding is projected between \$30 and \$35 million. Commercial paper only would be issued if a project is approved by the Letter of Credit provider, US Bank. Ms. Barney reported that each municipality would enter an annual appropriation lease with MAMU and the Board would have no payment obligation or credit risk in the transaction. Ms. Barney introduced Mr. Duncan Kincheloe of MAMU. Mr. Kincheloe thanked the Board for their past service to MAMU and gave a brief overview of their organization. Mr. Kincheloe then introduced Mr. Leo Lawrenson, who presented a description of the program structure and participants and its success in delivering cost-effective long-term financing to smaller communities. Staff recommended approval of the Resolution of Intent.

Secretary Neff made a motion to adopt the following resolution:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD PRELIMINARILY APPROVING THE ISSUANCE OF THE BOARD'S TAX-EXEMPT NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 TO FINANCE THE COSTS OF CAPITAL IMPROVEMENTS PROJECTS FOR MEMBERS OF THE MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES.

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

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Kinder, Steinhoff and Solberg

Nay: None

Absent: Ferrell

Chair Solberg declared the motion passed.

B. Springfield Discovery Center — Springfield, MO Robert V. Miserez
Contribution Tax Credits

Mr. Miserez gave a brief overview of the Springfield Discovery Center and current expansion plans denoting this was a preliminary presentation only. Mr. Miserez introduced Ms. Mary Lilly Smith from the City of Springfield. Ms. Smith expressed her support for the Discovery Center and explained how the project will impact the revitalization of downtown Springfield. Ms. Smith introduced Ms. Emily Fox from the Springfield Discovery Center. Ms. Fox explained their request for \$2.5 million in tax credits for the development and construction of a 30,000 square foot capital expansion project of the Discovery Center.

It was suggested that when the Discovery Center reappears before the Board, they provide a proforma, construction schedule, operating expenses and a more definitive list of donors for the purpose of explaining the monetary amount requested between years 2005 and 2006.

C. Kearney Missouri Amphitheater — Kearney, MO Pamela Ives Hill
Contribution Tax Credits

Ms. Hill gave a brief overview of the Kearney Missouri Amphitheater project and their request for \$325,000 in tax credits. Ms. Hill introduced Mr. Jim Eldridge from the City of Kearney. Mr. Eldridge gave further explanation of the project and indicated the City wanted to distribute their fundraising efforts over a two-year period. Mr. Eldridge then introduced Ms. Molly McGovern who explained that the primary purpose of their application for tax credits was to focus on tourism benefits.

It was suggested that when the City of Kearney reappears before the Board, they provide additional financial information and their fundraising efforts for the purpose of explaining the monetary amount requested between years 2005 and 2006.

D. Garage Debt Interest Options

Kathleen Barney

Before discussion of the garage debt interest options, Chair Solberg asked Pamela Ives Hill to give a detailed description of the MDFB financials. Ms. Hill gave a step-by-step explanation of the balance sheet (included in the Board packet) for the benefit of present and new Board members.

After discussion of the MDFB financials, Ms. Kathleen Barney gave a brief overview on SWAP rates for the Ninth Street Garage Bonds. Mr. Eric Cowan and Mr. Greg Langhoff from Bank of America gave a presentation regarding the SWAP rates via telephone conference. After discussion, it was decided the Board not convert to fixed rates at this time.

Director Steinhoff and Lt. Governor Kinder left the meeting.

E. Board Treasurer

Chair Solberg

Chair Solberg brought forth discussion the replacement of past Board Treasurer Bill Burch who resigned. Chair Solberg proposed the position be filled by Member Nelson Grumney. Secretary Neff made a motion to approve Member Grumney as Board Treasurer. Member Hill seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Lindsey, Wilson, Hill, Eckelkamp and Solberg

Nay: None

Abstain: Grumney

Absent: Ferrell, Kinder and Steinhoff

Chair Solberg declared the motion passed.

VIII. Executive Director's Report

Robert V. Miserez

Mr. Miserez distributed for review a list of upcoming events and conferences, a news article from the Kansas City Business Journal on Union Station, and the updated MDFB Talking Points. Mr. Miserez reported that the State of Missouri Government Review Commission is still convening to review all governmental state agencies to improve efficiencies. Mr. Miserez reported he is continuing to work with DED regarding the Finance Review Incentive Programs.

CLOSED SESSION

Secretary Neff made a motion to move the meeting into closed session pursuant to (1) Section 610.021(1) of the Missouri Revised Statutes for the purpose of discussing legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys, and (2) Section 610.021(2) of the Missouri Revised Statutes for the purpose of discussing the leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore. Member Grumney seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp and Solberg

Nay: None

Absent: Ferrell, Kinder and Steinhoff

Chair Solberg declared the motion passed.

Upon completion of discussion, Secretary Neff made a motion to move the meeting back into open session. Member Eckelkamp seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp and Solberg

Nay: None

Absent: Ferrell, Kinder and Steinhoff

Chair Solberg declared the motion passed.

OPEN SESSION

The Board returned to open session.

IX. Adjournment

There being no further business, the meeting was adjourned.

Secretary Neff