

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
TROY L. WILSON



EX-OFFICIO MEMBERS:
PETER KINDER
LIEUTENANT GOVERNOR

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, Suite 1010
Jefferson City, MO

JUNE 21, 2005

The Missouri Development Finance Board met in regular session on Tuesday, June 21, 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	Absent
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	Absent
Fred Ferrell	Director, Dept. of Agriculture and Member	Absent
Robert V. Miserez	Executive Director and Assistant Secretary	Present

*Member participated via telephone conference call.

Chair Solberg called the meeting to order and declared that a quorum was present. In addition to the above, those in attendance included:

Board Staff: Kathleen Barney, Tonya Loucks, Krystal Sabartinelli and Valerie Haller

Board Counsel: David Queen

Visitors: Tony Stafford, MO Department of Agriculture; Mike Mills, MO Department of Economic Development; Ben Jones, Lt. Governor's Office; Joan Bray, Missouri Senate; Emily Fox, Discovery Center of Springfield; Mary Lilly Smith, City of Springfield; Molly McGovern, Jim Eldridge and Keith Doss, City of Kearney; J.D. Lester, MAMU; Dennis Mitchell, Piper Jaffray;

James Harlow, City of Independence; Kathy Knotts and William Nelson, Truman Library Institute; Jason Grubbs, W.R. Taylor & Co.; Harold Carter, MoARK; Rodney Gray, Hendren & Andre Law Firm; Sean Gallagher and James Harris, Governor's Office; and Daryl Hylton and Judy Gehrke, DED

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the May 17, 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: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

II. Treasurer's Report

Treasurer Grumney

Treasurer Grumney presented for approval the treasurer's report as of and for the month ending April 30, 2005. There being no questions, corrections or additions, Treasurer Grumney made a motion to approve the treasurer's report as submitted. Member Hill seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

III. Department of Economic Development Report

Mike Mills

Mr. Mike Mills was present in Director Steinhoff's absence. Mr. Mills deferred this report to Director Steinhoff's return.

IV. Department of Agriculture Report

Tony Stafford

Mr. Tony Stafford was present in Director Ferrell's absence. Mr. Stafford deferred this report to Director Ferrell's return.

V. Lieutenant Governor's Report

Lt. Governor Kinder

Lt. Governor Kinder reported he and other state leaders recently returned from a trip to Panama. He reported that Missouri has had a State Partnership Program with Panama for about 20 years involving the participation of our National Guardsmen in the building of roads. The trip was the first to Panama since one made by the Governor Carnahan delegation in 1996. Upon arrival in Panama, the state delegation met with ranking government officials and the Foreign Minister. They were briefed thoroughly on the Panama Canal operations and the efforts to expand the Canal this year in a \$5 to \$8 billion project that will require voter approval by the people of Panama. There also was discussion regarding the expansion of Missouri's contacts with the Central American country including the selling of Missouri beef, soybeans, wine and other products.

VI. Public Comments

Chair Solberg

Chair Solberg opened the floor for comments from the public. Senator Joan Bray of St. Louis County addressed the Board and expressed her concerns about the Board's involvement in the malicious prosecution lawsuit against two individuals from St. Louis over the destruction of the Century Building.

VII. Old Business

A. Springfield Discovery Center — Springfield, MO
Contribution Tax Credits

Robert Miserez

Mr. Miserez reported on the City of Springfield's request for contribution tax credits in the amount of \$1,666,000 to raise \$3,332,000 in contributions for the principal benefit of the Discovery Center of Springfield, Inc. A preliminary presentation for the project was made at the May meeting. Since the May meeting, the Discovery Center had submitted three years of audited financial statements and an interim statement, which had proven the ability to sustain operations and demonstrate capacity to fully continue the operation and its expansion. Mr. Miserez introduced Ms. Emily Fox from the Discovery Center. Ms. Fox thanked the Board for allowing her to return and was available for questions or concerns. Member Wilson reported that Mr. Jim Anderson, President of the Springfield Chamber of Commerce, telephoned to advise that the Springfield Chamber is whole-heartedly in favor of the project.

Secretary Neff made a motion to approve the tax credits as submitted. Lt. Governor Kinder seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

B. Kearney Missouri Amphitheater — Kearney, MO Krystal Sabartinelli
Contribution Tax Credits

Ms. Sabartinelli reported on the City of Kearney's request for contribution tax credits in the amount of \$650,000 for the benefit of constructing the Kearney Missouri Amphitheater. A preliminary presentation for the project was made at the May meeting. Since the May meeting, the City of Kearney had submitted additional information on the allocation of tax credits and the affects of the project on the City's budget. The City requested tax credits be distributed in the amount of \$162,500 in CY2005 and \$162,500 in CY2006. Ms. Sabartinelli introduced Ms. Molly McGovern from the City of Kearney. Ms. McGovern was available for questions and comments.

Secretary Neff made a motion to approve the tax credits as submitted. Member Hill seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

C. Missouri Association of Municipal Utilities Kathleen Barney
Final Authorizing Resolution

Ms. Barney reported that a preliminary resolution of intent for the issuance of up to \$50 million in tax-exempt commercial paper was adopted at the May 2005 meeting. Ms. Barney recommended adoption of a Final Authorizing Resolution.

Secretary Neff made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS COMMERCIAL PAPER LEASE REVENUE NOTES (MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES LEASE FINANCING PROGRAM), SERIES 2005A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE OR REFINANCE THE COSTS OF PROJECTS TO BE LEASED BY THE MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES TO GOVERNMENTAL ENTITIES THAT ARE MEMBERS OF SAID ASSOCIATION PURSUANT TO LEASE-PURCHASE AGREEMENTS; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID NOTES; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID NOTES.

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

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

- D. St. Louis Convention Center Garage Kathleen Barney
\$2,750,000 Bond Redemption

Ms. Barney reported that the Board closed \$6.5 million Series B taxable and \$14.6 million Series C tax-exempt bonds in December 2000 to partially fund construction of the St. Louis Convention Center Garage. When the bonds closed, the bank required the money be placed in a tax credit reserve account. Staff requested the Board authorize approval and redemption of \$2,750,000 in bonds to prepay taxable and tax-exempt debt to lower the amount of tax credit collateral accordingly.

Member Wilson made a motion to approve the redemption as submitted. Member Hill seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

- E. Independence Infrastructure Bond Issue Kathleen Barney
Crackerneck Creek Series 2005D

Ms. Barney reported the request was the second issue for the Crackerneck Creek project. The first request (Series 2005C) was for the amount of \$11,325,000 to finance improvements to the project. Staff recommended adoption of a Final Authorizing Resolution of an amount not to exceed \$30,000,000 for site preparation and public infrastructure needs for the development and construction of a proposed 450,000 square foot commercial retail center. Mr. James Harlow, City of Independence, distributed a drawing of the proposed site and was available for questions and comments.

Lt. Governor Kinder made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS (CITY OF INDEPENDENCE, MISSOURI — CRACKERNECK CREEK PROJECT), SERIES 2005D FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$30,000,000, 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 Hill seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

VIII. New Business

- A. Truman Presidential Library Robert Miserez
Contribution Tax Credits

Due to a potential conflict of interest, Chair Solberg recused herself from the presentation and asked Secretary Neff to serve as Chair for this item. Mr. James Harlow, City of Independence, addressed the Board and gave a brief overview of the City's request for tax credits for contributions for the principal benefit of the Truman Presidential Library in the amount of \$400,000 to raise \$800,000 in contributions. Mr. Harlow indicated they had received strong support from the city mayor and city council for the project. Mr. Harlow introduced Dr. Michael Devine, Director of the Truman Presidential Library. Dr. Devine gave a brief presentation of the history of the library. Dr. Devine then introduced Mr. William Nelson, Truman Library Board of Directors Member, who gave a brief presentation of the project and the use of contributions for the restoration, refurbishment and renovations to the Truman Working Office. Mr. Nelson was then available for questions. In response to questioning by Secretary Neff, Mr. Nelson indicated fundraising for the library would commence immediately and that contributions could be obtained during 2005.

- B. Simmons Foods, Inc. — Southwest City, MO Tonya Loucks
Preliminary Resolution

At the request of Simmons Foods, Inc., the item was withdrawn from the agenda.

- C. MoARK, LLC — Neosho, MO Tonya Loucks
Preliminary Resolution

Ms. Loucks gave a brief overview of MoARK and its request for \$3,000,000 in tax-exempt industrial development bonds for the construction and expansion of company facilities in Neosho, Missouri. Ms. Loucks introduced Mr. Jason Grubbs, Managing Director of Corporate Finance for W.R. Taylor & Company, and Mr. Harold Carter, Head of Operations for MoARK, LLC. Mr. Carter gave a brief overview of the project and was available for questions. Secretary Neff reported information he had researched regarding the project. There has been much local discussion of the project due to odor and environmental issues. Mr. David Queen, Board counsel, explained he understood that the Board would like the resolution of intent to contain requirements for the demolition of the existing poultry facilities within an agreeable amount of time. Mr. Tony Stafford, representing Director Fred Ferrell of the Mo Dept. of Agriculture, added that the Missouri Corn Growers Association approved a grant last month in conjunction with MoARK to fund a portion of the expansion. MoARK will be working with corn farmers to export some of the waste produced at the facility farther north where it could be better utilized.

Secretary Neff made a motion to adopt a revised resolution of intent. Member Hill seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Hill, Eckelkamp, Kinder and Solberg

Roll call vote: Lindsey

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

D. BRAC Briefing

Mike Mills

Mr. Mike Mills, Deputy Director of the Missouri Department of Economic Development, gave a detailed description of BRAC (Base Realignment and Closure) and distributed MERIC reports regarding the economic impact of the proposed Missouri closures. Mr. Mills explained that since the mid-May submission of the closure list of the BRAC Commission, there has been much activity to try to reverse the closures in Missouri. Mr. Mills reported the overall economic impact to Missouri is 3,679 lost positions, civilian and military, with a total loss of 5,200 considering the economic impact. The overall economic impact to the State is approximately \$360 million of gross state product. Mr. Mills reported that the plan of action for Missouri was that the Governor signed into law legislation establishing the Military Preparedness Commission to address BRAC issues. Mr. Mills indicated the State needed to hire a consultant to handle gathering of information and data to help make the argument to the BRAC Commission against the closures. Mr. Mills asked the Board to approve funding of up to \$125,000 to hire the consultant and cover ancillary costs.

Chair Solberg commented on the time constraint regarding the information and indicated a special telephone conference would be scheduled. Lt. Governor Kinder asked how many BRAC recommendations, over the past 20 years, had been reversed. Mr. Mills indicated that traditionally 15% of BRAC recommendations were reversed. Secretary Neff asked if DED had the funding to hire the consultant and Mr. Mills answered they did not. The Board recommended that Mr. Mills consider other funding sources and Mr. Mills reported that DED had been contacting other entities and have a tentative commitment from the St. Louis Economic Development Council.

A special telephone conference call to discuss the BRAC consultant funding was scheduled for 9 a.m. Friday, June 24.

IX. Executive Director's Report

Robert V. Miserez

Mr. Miserez stated he would update the Board at a later date.

CLOSED SESSION

Secretary Neff made a motion to move the meeting into closed session pursuant to 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. Member Hill seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Starr, Steinhoff and Ferrell

Chair Solberg declared the motion passed.

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

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

Nay: None

Absent: Starr, Steinhoff and Ferrell

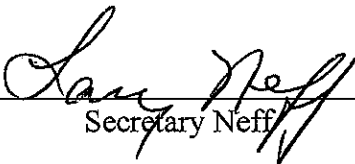
Chair Solberg declared the motion passed.

OPEN SESSION

The Board returned to open session.

X. Adjournment

There being no further business, the meeting was adjourned.


Secretary Neff