

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



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

DON STEEN
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

JULY 15, 2008

The Missouri Development Finance Board met in regular session on Tuesday, July 15, 2008, beginning at 10:00 a.m.

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

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|------------------------|---|---------|
| 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 |
| Richard J. Wilson | Member | Present |
| L. B. Eckelkamp, Jr. | Member | Present |
| Danette D. Proctor | Member | Present |
| John E. Mehner | Member | Present |
| S. Lee Kling | Member | Absent |
| Gregory A. Steinhoff | Director, Dept. of Econ. Dev. and Member | Absent |
| Don Steen | 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 |

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, Krystal Davis, Dawn Holt, Kimberly Martin and Valerie Haller

Board Counsel: David Queen

Others Present: Gary McElyea, Lieutenant Governor's Office; Daryl Hylton, Missouri Department of Economic Development; Byrne Whitehead and Mike Mullis, Orgill, Inc.; Sam Fiorello, Donald Danforth Plant Science Center; Denny Coleman and Mark Brady, St. Louis Port Authority; Jack Lane and Celia Hosler, Stages St. Louis; Greg Smith, Husch Blackwell Sanders LLP;

John Nations, City of Chesterfield; Rob Monsees, Missouri Technology Corporation; Terry Maglich and Jennifer George, Missouri Department of Economic Development; and Keith Wenzel, Hendren & Andre

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the June 17, 2008 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, Eckelkamp, Proctor, Mehner, Childers and Kinder

Nay: None

Absent: Starr, Kling, Steinhoff and Steen

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 eleven months ended May 31, 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 vote was recorded:

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Childers and Kinder

Nay: None

Absent: Starr, Kling, Steinhoff and Steen

Chairman Kinder declared the motion passed.

III. Department of Economic Development Report

Director Steinhoff

In Director Steinhoff's absence, General Counsel Daryl Hylton reported Director Steinhoff was attending the Farnborough Air Show and that unfortunately Bombardier had chosen Mirabel, Canada, for the location of the production of the C-series aircraft.

Although Missouri was not chosen by Bombadier, the state maintains a significant presence in the aerospace industry.

Mr. Hylton stated the Department was participating in the Governor's cabinet meeting on flood recovery and the Department expected to participate in related community redevelopment activities.

Mr. Hylton commented the Department will be transferring the recruitment function to Missouri Partnership effective September 1, and the Department had received four DREAM applications to date and the application deadline was July 18, 2008.

IV. Department of Agriculture Report Director Steen

Chairman Kinder stated that previous Agriculture Director Katie Smith had resigned and new Director of Agriculture Don Steen would be joining the meeting shortly.

Chairman Kinder reported that wet weather the first six months of the year delayed planting, and farmers are still planting beans, while the corn crop numbers are down because of late planting.

Chairman Kinder reminded everyone of the Missouri State Fair being held next month.

V. Department of Natural Resources Director Childers

Director Childers reported the Department continues to focus on the impact of the flooding, and drinking water issues.

VI. Lieutenant Governor's Report Lt. Governor Kinder

The Lieutenant Governor deferred his report to the next meeting.

VII. Old Business

A. Donald Danforth Plant Science Center — Wexford Robert V. Miserez
Tax Credits for Contributions

Mr. Miserez reported on the St. Louis County Port Authority and the Donald Danforth Plant Science Center tax credit for contribution application for the benefit of the Bio-Research & Development Growth Park ("BRDG") Tenant Improvement Project.

Mr. Miserez stated the request was to capitalize a tenant improvement fund that would be utilized in the approximate 100,000 rentable square foot building that is being built adjacent to the Danforth Center.

Mr. Miserez reported the request was for \$2.4 million in tax credits to raise \$4.8 million in contributions that would be used for tenant improvements and fit-out on 40,000 square feet of space in the building that would be leased to the Port Authority and to the NIDUS Incubator Center as described in the information that was distributed in advance of the meeting.

Mr. Miserez commented this request was a follow-up to a project the Board approved a portion of in December 2007, which was to provide tax credits to help fund \$2 million in contributions towards the \$3 million site preparation that the building would be constructed on. This building is the first of potentially three buildings that would be built on this facility to assist the Center and all local incubators in providing for space necessary to lease to companies coming out of the NIDUS Center and other incubators in this area.

Mr. Miserez stated the project is a further continuation and partnership by the Board with the County, the Department of Economic Development, the Missouri Technology Corporation, and many others to further enhance the development of life and plant science companies in Missouri.

Staff recommended that \$2.4 million in credits be authorized as \$500,000 in credits in CY 2008 and the \$1.9 million balance be issued as CY 2009 credits to match the construction build-out schedule with a caveat that if at the end of CY 2008 there are remaining credits, we flow the CY 2009 credits back into CY 2008 and accept the contributions at that time.

Mr. Miserez introduced Denny Coleman with the St. Louis Port Authority.

Mr. Coleman introduced Sam Fiorello with the Donald Danforth Plant Science Center. Mr. Fiorello thanked the Board for their consideration of the application and noted the great success of the Danforth Center could not have happened without the support of the MDFB and the State. Mr. Fiorello stated the Center was celebrating its 10th anniversary this year and has risen to the point of being the largest independent plant research institute in the world. Mr. Fiorello gave a brief history of the Center and a description of the BRDG Tenant Improvement project.

Mr. Coleman commented that from St. Louis County's perspective the Danforth Center and this development are important in the future of the economy, not only in St. Louis County, but the entire St. Louis region. Mr. Coleman stated that as many are aware, the St. Louis County's economy and the regional area's economy had taken some blows, but that is mitigated to some extent and the future looks

bright because of initiatives like the Danforth Center and BRDG bringing the technologies and job growth for the future.

Secretary Neff asked what the total investment was for the Danforth Center. Mr. Fiorello stated that when the project has been completed, they estimate approximately \$500 million in investments, of which some of the moneys come from grants that their scientists are awarded.

Secretary Neff made a motion to approve \$2.4 million in credits to be authorized as \$500,000 in credits in CY 2008 and the \$1.9 million balance be issued as CY 2009 credits to match the construction build-out schedule with a caveat that if at the end of CY 2008 there are remaining credits, we flow the CY 2009 credits back into CY 2008 and accept the contributions at that time. Member Eckelkamp seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Childers and Kinder

Nay: None

Absent: Starr, Kling, Steinhoff and Steen

Chairman Kinder declared the motion passed.

B. City of Chesterfield — Stages St. Louis Kathleen Barney
Tax Credit for Contributions

Ms. Barney reported on the request from the City of Chesterfield for contribution tax credits for the benefit of Stages St. Louis. The initial application was presented to the Board at its April 15, 2008 meeting.

Ms. Barney stated Stages plans to construct an 83,000-square foot facility to house the Regional Performing Arts Center and Academy. Ms. Barney reported the original request was for \$5 million in tax credits, and since that request, Stages had reduced their request to \$2 million in tax credits. As indicated in the MERIC economic impact report, with \$2 million in credits a positive benefit to the state is projected. Staff recommended approval of the reduced request.

Ms. Barney introduced Mayor John Nations from the City of Chesterfield. Mayor Nations gave a brief history about the City and the amount of growth it has had. Mayor Nations commented that the economic development prosperity of Chesterfield benefits the entire St. Louis region. Mayor Nations stated that Stages is truly a regional asset.

Greg Smith, counsel for the project, commented that approximately 1,000 students a year are being benefited by Stages. Mr. Smith stated this is a very

tough industry to create jobs, although Stages projects to add 86 new full time jobs.

Member Eckelkamp commented he supported the application and considered this project a crow jewel of Missouri by bringing people to this region.

Treasurer Grumney made a motion to approve the reduced request of \$1 million in tax credits in CY 2009 and \$1 million in tax credits in CY 2010. Member Eckelkamp seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Childers and Kinder

Nay: None

Absent: Starr, Kling, Steinhoff and Steen

Chairman Kinder declared the motion passed.

C. City of Independence — Public Infrastructure Bonds Kathleen Barney
Multi-Purpose Events Center — Final Authorizing Resolution

Ms. Barney reported that in February 2008 the Board adopted a Final Authorizing Resolution for multiple series of bonds not to exceed \$100 million to fund a Multi-Purpose Events Center. Bonds were issued for \$12,325,000. Ms. Barney reported that this Final Authorizing Resolution is for bonds not to exceed \$30 million.

Ms. Barney stated the Community Improvement District will be the main repayment source of the bonds as well as the City annual appropriation pledge. The bonds are expected to receive an A+ rating from Standard & Poor's. The Board is a conduit issuer and has no repayment obligation. Staff recommended adoption of the Final Authorizing Resolution.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, IN A 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 Mehner seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Childers and Kinder

Nay: None

Absent: Starr, Kling, Steinhoff and Steen

Chairman Kinder declared the motion passed.

D. Young Men's Christian Association of Greater St. Louis Kathleen Barney
Recreational Facilities Refunding Bonds — Final Authorizing Resolution

Ms. Barney reported on the request for a new recreational facility bond issue to refund the 1998 bond issue for the Young Men's Christian Association of Greater St. Louis for an amount not to exceed \$11,500,000.

Ms. Barney stated that in May 1998, the Board issued bonds in an amount of \$17,870,000. A Resolution of Intent for the refunding bonds was approved by the Board at its June 2008 meeting. With the 2008 refunding bonds, interest savings are expected to be approximately \$1 million through maturity in 2018.

Ms. Barney reported that Bank of America provides a letter of credit for the bonds to be redeemed and will provide a letter of credit for the 2008 bonds. The maximum interest rate will be 6%. The Board is a conduit issuer with no repayment obligation. Staff recommended adoption of 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 RECREATIONAL FACILITIES REFUNDING REVENUE BONDS (THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER ST. LOUIS PROJECT) SERIES 2008 IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$11,500,000 FOR THE PURPOSE OF MAKING A LOAN TO THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER ST. LOUIS TO PROVIDE FUNDS TO REFUND A PRIOR SERIES OF BONDS OF THE BOARD ISSUED TO FINANCE, REFINANCE AND REIMBURSE THE COSTS OF CERTAIN RECREATIONAL FACILITIES; 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.

Treasurer Grumney seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Wilson, Proctor, Mehner, Childers and Kinder

Nay: None

Abstain: Eckelkamp

Absent: Starr, Kling, Steinhoff and Steen

Chairman Kinder declared the motion passed.

E. The Nelson Gallery Foundation — Cultural Facilities Kathleen Barney
Refunding Bonds — Final Authorizing Resolution

Ms. Barney reported on the request for cultural facility bonds for the Nelson Gallery Foundation in an amount not to exceed \$90 million.

Ms. Barney stated the bonds will refund the Series 2001B bonds in the amount of \$85 million that funded construction of the Bloch Building and renovations to the original 1933 building. The Nelson Gallery Foundation plans to return for another series of bonds to fund renovation of 12,000 square feet in the museum originally opened in 1933.

Ms. Barney reported a AAA rating from Standard & Poor's is expected. The Board is a conduit issuer and therefore has no repayment obligation. The interest rate on the 2001B Series bonds increased greatly due to the downgrade of MBIA, the insurer for the 2001B bonds. Staff recommended adoption of the Final Authorizing Resolution.

Director Childers made a motion to approve the following Final Authorizing Resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS CULTURAL FACILITIES REVENUE BONDS (THE NELSON GALLERY FOUNDATION) SERIES 2008A IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000 FOR THE PURPOSE OF MAKING A LOAN TO THE NELSON GALLERY FOUNDATION TO PROVIDE FUNDS TO REFINANCE THE COSTS OF CERTAIN CULTURAL FACILITIES OF THE FOUNDATION; AND 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.

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

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Childers and Kinder

Nay: None

Absent: Starr, Kling, Steinhoff and Steen

Chairman Kinder declared the motion passed.

Director Steen joined the meeting and was welcomed by Chairman Kinder and the Board.

- E. FY 2009 MDFB Budget with Projections for FY 2010 and FY 2011 Treasurer Grumney/
Krystal Davis

Treasurer Grumney brought before the Board discussion of the FY 2009 budget and projections to be reviewed and discussed in detail.

Krystal Davis gave a detailed presentation of the budget and projections and was available for questions.

After in-depth discussion and review, it was the consensus of the Board to table this item for further discussion.

VII. New Business

- A. Orgill, Inc. — BUILD Preliminary Resolution Robert V. Miserez

Mr. Miserez presented the application from Orgill, Inc. to issue BUILD Missouri Revenue Bonds in a principal amount of approximately \$1,550,600.

Mr. Miserez reported the Company is a Tennessee corporation that was founded in 1847 and serves approximately 5,000 hardware stores, home centers and lumber yards throughout the USA and Canada.

Mr. Miserez stated the project is to construct a facility in Sikeston, Missouri, at a cost of just under \$37 million. The BUILD bond term will be 15 years and there will be 274 new jobs at this facility that will be created as a result of this project. Mr. Miserez introduced Byrne Whitehead with the Company.

Mr. Whitehead thanked the Board for considering their application and noted this new facility would be their largest. Mr. Whitehead gave a brief overview of the history of the company and project and was available for questions.

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

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
PRELIMINARILY APPROVING A PROJECT FOR ORGILL, INC., AND
DETERMINING THE INTENT OF THE BOARD TO ISSUE ITS BUILD
MISSOURI REVENUE BONDS IN A PRINCIPAL AMOUNT OF
APPROXIMATELY \$1,550,600 TO FINANCE A PORTION OF THE
COSTS OF THE PROJECT.**

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

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Steen, Childers and Kinder

Nay: None

Absent: Starr, Kling, and Steinhoff

Chairman Kinder declared the motion passed.

B. Village of Cosby Kimberly Martin
MIDOC Loan Application

Ms. Martin presented the application from the Village of Cosby for a MIDOC loan in the amount of \$100,000 to construct a new wastewater collection and treatment facility. Residents currently are relying on individual septic tanks, many of which are failing, resulting in overflow problems and the potential for groundwater contamination.

Ms. Martin stated the project had been reviewed and approved by the Missouri Water and Wastewater Review Committee. Engineering plans had been approved by both the Missouri Department of Natural Resources and USDA/Rural Development.

Ms. Martin reported the total cost for the project is \$1,605,000. The rate of \$55 per month will go into affect as soon as the new system is operational. This rate structure takes into account the necessary operation and maintenance costs as well as the loan repayment for both the USDA loan and the Board's loan of \$100,000.

Staff recommended approval of the \$100,000, 3%, 20-year MIDOC loan application for the Village of Cosby contingent upon the approval of funding

increases from partnering agencies and completion of the public hearing requirement.

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

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Steen, Childers and Kinder

Nay: None

Absent: Starr, Kling, and Steinhoff

Chairman Kinder declared the motion passed.

VIII. Miscellaneous

Robert V. Miserez

Mr. Miserez deferred his report to the next meeting.

CLOSED SESSION

Secretary Neff made a motion to go into closed session pursuant to Section 610.021 (13) of the Missouri Statutes for the purpose of individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such. Member Mehner seconded the motion. The following roll call vote was recorded to go into closed session:

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Steen, Childers and Kinder

Nay: None

Absent: Starr, Kling, and Steinhoff

Chairman Kinder declared the motion passed.

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

Aye: Neff, Grumney, Wilson, Eckelkamp, Proctor, Mehner, Steen, Childers and Kinder

Nay: None

Absent: Starr, Kling, and Steinhoff

Chairman Kinder declared the motion passed and moved the meeting into open session.

OPEN SESSION

Chairman Kinder and Member Wilson excused themselves from the meeting for other commitments.

IX. Adjournment

There being no further business before the Board, Secretary Neff made a motion to adjourn the meeting. Director Childers seconded the motion. The following vote was recorded:

Aye: Neff, Grumney, Eckelkamp, Proctor, Mehner, Steen and Childers

Nay: None

Absent: Starr, Kling, Wilson, Steinhoff and Kinder

The meeting was adjourned.

[Secretary Neff's Signature]