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LIEUTENANT GOVERNOR

MEMBERS:
JOHN D. STARR
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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

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 470
Jefferson City, Missouri

AUGUST 21, 2007

The Missouri Development Finance Board met in regular session on Tuesday, August 21, 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	Present
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	Present
Danette D. Proctor	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	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 and Valerie Haller

Board Counsel: James Caldwell

Others Present: Ben Jones and Jerry Dowell, Lieutenant Governor's Office; Rebecca McClanahan, Tom Todd, Tom Shively and Paul Quinn, Missouri House of Representatives; Mark Bryant and Annie Presley, Negro Leagues Baseball Museum; Michaela Hunter, City of Kansas City; Barbara Geisman, City of St. Louis; Rodney Crim, St. Louis Development Corporation; Mike Whittle, Armstrong Teasdale; W. Chase Martin and Michelle Reisner, The Cordish Company; Bill DeWitt III, St. Louis Cardinals; Peter Czajkowski

Stifel, Nicolaus & Company; David Richards, Husch & Eppenberger; Darrell Moore and Jeanie Moore, Modern Litho-Print Co.; Mike Hartmann and Ed Musterman, Commerce Bank; Sallie Hemenway, Missouri Department of Economic Development; Mike Garrity and Tom Hermann, KSDK-TV St. Louis; David Leib, Associated Press; 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 July 17, 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 Hill seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Proctor, Steinhoff, Smith, Childers and Kinder

Nay: None

Absent: None

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, 2007. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. Treasurer Grumney reported that Williams Keepers, LLC, the Board's CPA firm, conducted the FY07 Audit. There being no questions, corrections or additions, Treasurer Grumney made a motion to approve the Treasurer's Report as submitted. Member Wilson seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Proctor, Steinhoff, Smith, Childers and Kinder

Nay: None

Absent: None

Chairman Kinder declared the motion passed.

VII. Old Business

A. St. Louis Ballpark Village Resolution Approving a MODESA Project

Robert V. Miserez

Mr. Miserez presented the updated recommendation and materials regarding the MODESA application from the City of St. Louis for the Ballpark Village project. Mr. Miserez noted the Missouri Department of Economic Development (“DED”) provided additional materials and analyses for the project. Staff recommended the Board accept the DED’s recommendations and findings and authorize them to proceed and issue the certificate upon the completion of the Developer Agreements to the DED’s satisfaction.

Mr. Miserez introduced Sallie Hemenway from the DED. Ms. Hemenway gave a brief PowerPoint presentation explaining the updates of the project that also was distributed.

Ms. Hemenway reported on the additional recommendations the DED made to MDFB beyond the recommendations made previously and statutory findings the DED is required to make as a result of the MODESA statutes.

Ms. Hemenway stated that continued negotiations between the St. Louis Cardinals, the Cordish Companies, the City of St. Louis and the DED provided additional commitments and expansion of the project scope. The additional commitments include 36,000 additional square feet of retail/entertainment/restaurant space, as well as the 250 condominium housing units that were originally proposed but not included in the first recommendation. The Cardinals and Cordish have committed to these portions of the project and therefore the DED expanded their recommendation to the Board to include both of these components. These represent the original complete Component A and Component B or Phase I of the project.

Ms. Hemenway stated the change in the private and public cost share moves the total project cost up from \$280 million to \$387 million. The majority of the increase is borne by the private sector. The increase in public investment is minimal compared to the return achieved as a result of the additional components.

Ms. Hemenway reported that with the addition of the new components, the economic impact also increased. The additional housing and additional retail generates a Net General Revenue impact of \$100.6 million for the State and the Personal Income Value-added/Gross State Product and economic output are projected in the billions over the 25-year benefit. The increase in the economic impact is due to the project scope and addition of jobs, private investment and construction activity.

In conclusion, Ms. Hemenway stated that as a result of its review, the DED made the following findings: the project is located within an eligible redevelopment area as prescribed by statute; the development area on the whole is blighted; the

project area does not exceed 10% of the total area of the municipality; the project area is located within the Central Business District; the project would not otherwise occur without the assistance of MODESA financing; the MODESA financing shall pay for public infrastructure in the form of public parking, streets, utilities and streetscapes. Additionally, the baseline is 2006 and DED will require an executed Development Agreement prior to the issuance of any Certificate of Approval and that Agreement shall contain all of the language required by the City's ordinance and shall be reviewed by the DED for completeness. Any certificate of approval issued by the DED shall not exceed 25 years in length and shall provide a per year maximum amount of estimated increment. The paid-out amount shall be the lesser of that actual increment created and collected by the Department of Revenue, or the amount listed on the Certificate of Approval.

Director Steinhoff stated the Department is actively trying to build the business recruitment efforts in Missouri. He explained that an opportunity has arisen from the relationship with the Cardinals organization to assist with that effort. He commented that the Cardinals are a great, recognizable asset to the State and have agreed to partner with the DED and MDFB in active business recruitment efforts. The opportunities include use of the conference meeting rooms at the Ballpark, ticket and entertaining opportunities for actively recruiting CEOs, field batting practice, marketing activities with players, signage and much more.

Chairman Kinder commented he had discussions with Mr. DeWitt III regarding this request and he was enthusiastic in his response.

The Department recommended the approval of the Cordish/Ballpark Village project in the amount not to exceed \$78,329,885 over 25 years to include the recommended additional components. Ms. Hemenway was available for questions.

Chairman Kinder reiterated that the current proposal was substantially better than that presented at the July meeting. The current proposal is better for the citizens of St. Louis and the entire State of Missouri, with a very marginally higher absolute number of dollar commitment, but a 3% lower percentage of the entire deal due to the significantly increased private developer contributions.

Member Lindsey made a motion to accept the recommendation as presented by the DED and staff. Member Eckelkamp seconded the motion.

Secretary Neff commented on the absence of representation from the trades of the St. Louis area that would be greatly benefiting from this project.

Barbara Geisman from the City of St. Louis replied that the area trades were fully supportive of the project, and as stated in the Development Agreement the developers intend to use union trades, and the ballpark was built with a project labor agreement.

Treasurer Grumney commented that adding the condo component to the project is a homerun and is needed to give the project critical mass. Treasurer Grumney commended those that worked on adding this component to the project.

Treasurer Grumney questioned what would happen should the developer not perform their obligations. Ms. Hemenway replied that the City incorporated into its ordinance the protection clauses that would be required in the Development Agreement and the Department would not issue the Certificate of Approval until those clauses are indeed incorporated. Ms. Geisman reported the Development Agreement would have a disbursement procedure whereby the equity from the developer would have to be disbursed first and then the bond proceeds would be disbursed pro-rata with the loan money the developer borrows, therefore the public money would not be disbursed first. There also would be a completion guarantee and Cordish has agreed to pay capitalized interest should there be a delay in the completion of the components.

There being no additional discussion and with the motion made and seconded, the following vote was recorded:

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

Chairman Kinder declared the motion passed.

B. City of Kansas City — Negro Leagues Baseball Museum Tax Credit for Contribution Application Kathleen Barney

Ms. Barney presented the application that was discussed at the August Board meeting from the City of Kansas City for the benefit of the Negro Leagues Baseball Museum (“NLBM”). The NLBM plans to renovate and expand the Paseo YMCA into the Buck O’Neil Education and Research Center in the 18th and Vine area. Ms. Barney reported the total cost of the project is \$14 million and includes funding from the City of \$500,000 for construction oversight. The request is for a total of \$1.3 million in tax credit contributions — \$650,000 in CY2007 and \$650,000 for CY2008.

Ms. Barney introduced Michaela Hunter with the City of Kansas City. Ms. Hunter distributed a letter from Bob Langenkamp highlighting the NLBM. Ms. Hunter explained that the Negro Leagues Baseball Museum is the only museum dedicated to the Negro Leagues in America and that the museum has been self-sustaining since its conception. The proposed Buck O’Neil Education and Research Center is a logical expansion and will serve as an anchor to the NLBM. Ms. Hunter introduced Mark Bryant, President of the Board of Directors

of the Negro Leagues Baseball Museum and Annie Presley, fundraiser for the NLBM.

Mr. Bryant stated the NLBM has been designated by Congress as America's Museum to preserve the history surrounding the Negroes Leagues. Mr. Bryant noted the tax credits they applied for would leverage a great deal of private investment by the philanthropic community. Mr. Bryant and Ms. Presley were available for questions.

Member Hill asked if the NLBM would be able to fulfill the \$650,000 tax credit for contributions in 2007. Mr. Bryant replied he believed this was possible and mentioned a few of the contributions they are to receive.

Chairman Kinder questioned the attendance projections for the museum. Ms. Presley noted the projections that were presented were conservative numbers and is driven by revenue. Ms. Presley reported an expected attendance at the facility of 23,000 visitors the first fully operational year. The museum is currently averaging approximately 60,000 visitors.

Ms. Presley commented they are not anticipating any shortfalls on the new project because the revenues are so robust. Should there be any shortfalls, fundraising would take place and they have a very robust fundraising list that would donate on a regular basis.

Director Childers asked what the cash flow was for the museum. Ms. Presley stated the cash flow is above break-even and the licensing program is very successful.

Vice Chairman Starr asked if the museum would be able to raise \$2 million in contributions this year and \$600,000 in contributions next year. Ms. Presley explained they would try, but the donors have the right to choose when they want to donate the money. Mr. Bryant stated he appreciated the opportunity to raise more contributions this year and they would certainly try.

Vice Chairman Starr made a motion to approve the authorization of \$1 million in CY2007 tax credits and \$300,000 in CY2008 tax credits. Member Hill seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Proctor, Steinhoff, Smith, Childers and Kinder

Nay: None

Absent: None

Chairman Kinder declared the motion passed.

VIII. New Business

B. Tour of Missouri Request for Sponsorship Participation

Robert V. Miserez

Director Steinhoff reported the Department has been working with the Lieutenant Governor's Office on the Tour of Missouri project. They are very pleased with the amount of enthusiasm and publicity the tour has been receiving.

Director Steinhoff stated there is a partnership of funders for this project and the Department believes the economic impact of the tour is not only large in itself, but also spans many communities at the same time.

Director Steinhoff made a motion that the MDFB support the Tour of Missouri with a donation of \$100,000 for a very worthwhile investment. Vice Chairman Starr seconded the motion.

Chairman Kinder noted the Tour of Georgia in April had 33 million hits on their Web site from 77 countries in the week of the race alone as indicated in the University of Georgia's Department of Economics study. The study also indicated the race had 421 million advertising and marketing impressions worth a total value of over \$6.9 million.

Chairman Kinder commented on how substantial the media coverage has been for the Tour of Missouri from the three largest newspapers in the state and other electronic media. Channel 4 in St. Louis will do a 2-hour program and half hour preview show before the event. Chairman Kinder also noted the addition of Pepsi as a sponsor for the tour. The Versus Network will cover the event and the event coordinators are working on providing a web package that would provide a live 2-hour coverage every day of the event via the Internet.

Chairman Kinder noted the Discovery Team and the #1 overall rider and the #3 overall rider of the Tour de France will be participating in the event.

Member Lindsey expressed his enthusiasm for the event and heartily endorsed the donation from the Board.

There being no additional discussion and with the motion made and seconded, the following vote was recorded:

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Proctor, Steinhoff, Smith, Childers and Kinder

Nay: None

Absent: None

Chairman Kinder declared the motion passed.

Director Steinhoff departed the meeting for other commitments.

- A. Modern Litho-Print Co. IRB Kathleen Barney
Preliminary Inducement Resolution

Ms. Barney presented the Modern Litho-Print (“Modern Litho”) Company’s application for tax-exempt industrial development revenue bonds not to exceed \$2,750,000.00. Modern Litho is located in Jefferson City and currently has 86 full-time employees with an anticipated addition of 20 new jobs in the next five years.

Ms. Barney explained the project is to purchase a Heidelberg 105XL five-color press and ancillary equipment. The company anticipates saving approximately 10% on paper costs with the new press. Clayton Holdings, LLC, a subsidiary of Commerce Bank, will purchase the bonds and have collateral and guarantors as a secondary source of payment. This is a conduit bond issue and the Board has no repayment obligation.

Staff recommended approval of the Resolution of Intent for bonds not to exceed \$2,750,000. Ms. Barney introduced Mike Hartmann with Commerce Bank. Mr. Hartmann was available for questions.

Director Childers made a motion to approve the following Resolution of Intent:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR MODERN LITHO-PRINT CO., A MISSOURI CORPORATION, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,750,000 TO FINANCE THE COSTS OF SUCH PROJECT.

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

Aye: Starr, Neff, Grumney, Lindsey, Wilson, Hill, Eckelkamp, Proctor, Smith, Childers and Kinder

Nay: None

Absent: Steinhoff

Chairman Kinder declared the motion passed.

- III. Department of Economic Development Report** Director Steinhoff

No report was given.

IV. Department of Agriculture Report

Director Smith

Director Smith reported on the Missouri State Fair and indicated it was a good fair because of an increased number of youth exhibits; although there was a decrease in the number of attendees at the fair that was mainly attributable to the heat.

Director Smith announced the Agriculture Conference would be held in January 2008 in St. Louis. Director Smith commented on an upcoming conference in Vietnam in December that the Department will be involved in.

Director Smith also noted the Department continues to work on the branded beef initiative.

Director Smith reported there was a tremendous, near-record corn crop this year despite all the weather challenges. Corn prices are stable at this time.

V. Department of Natural Resources

Director Childers

Director Childers reported the Department has received many inquiries regarding the \$50 million bonding issue for sewer and water in small communities, which they believe will make a major impact on the environmental issues.

Director Childers also reported the Department is concentrating on energy issues and the billions of dollars of potential energy resources in Missouri.

VI. Lieutenant Governor's Report

Lt. Governor Kinder

No report was given.

IX. Miscellaneous

Robert V. Miserez

Mr. Miserez announced the resignation of Finance Officer, Tonya Loucks. Mr. Miserez reported the advertisement for the position had been posted and several applications were received.

Mr. Miserez distributed the list of 2007 DREAM applicants and reported the internal review of the applications had been completed. The 2007 DREAM communities would be announced at the Governor's Conference on Economic Development on August 29.

X. Adjournment

Chairman Kinder made a motion to adjourn the meeting. Vice Chairman Starr seconded the motion. There being no further business before the Board, the meeting was adjourned.

[Secretary Neff's Signature]