

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

Marriott Downtown Hotel
Andy Kirk Meeting Room
200 West 12th Street
Kansas City, Missouri

SEPTEMBER 30, 2008

The Missouri Development Finance Board met in regular session on Tuesday, September 30, 2008, beginning at 8:30 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	Present
L. B. Eckelkamp, Jr.	Member	Absent
Danette D. Proctor	Member	Present
John E. Mehner	Member	Present
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Present
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, Mike Golden, Krystal Davis, Dawn Holt, Kimberly Martin, Valerie Haller and Christine Wilson

Board Counsel: David Queen

Others Present: Jerry Dowell, Lieutenant Governor's Office; Jabbar Wesley, Missouri Gas Energy; and Jerry Riffel, Lathrop & Gage

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the July 15, 2008 and September 9, 2008 meetings. The minutes were included in the Board materials distributed in advance of the meeting. Valerie Haller noted that Jerry Dowell was not present during the September 9 meeting. There being no questions or additions, Secretary Neff made a motion to approve the minutes with the noted correction. Member Mehner seconded the motion. The following vote was recorded:

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

Nay: None

Absent: Eckelkamp

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 one month ended July 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 Wilson seconded the motion. The following vote was recorded:

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

III. Department of Economic Development Report

Director Steinhoff

Director Steinhoff reported the Department continues to work on launching the Missouri Partnership and branding efforts. Letters were sent to economic developers throughout the state informing them that business recruitment would be organized through Missouri Partnership and no longer through the Department.

Director Steinhoff noted there are a number of sizeable redevelopment projects throughout the state; including Ballpark Village in St. Louis and Three Trails/Bannister Mall in Kansas City.

Director Steinhoff commented on recruitment efforts and that he was scheduled to attend a meeting regarding Bombardier and the possibility of the construction of a completion facility in Kansas City with approximately 1,300 employees at KCI. This would offset the 300 maintenance facility jobs in St. Louis that were lost.

Director Steinhoff stated there has been a high level of activity focused on alternative energy.

IV. Department of Agriculture Report

Director Steen

Director Steen reported that the late planted crops received the water that was needed for an abundant crop and that if it doesn't frost before October 15th there will be a great corn crop.

Director Steen stated the Department continues to work on alternative fuels. The biofuels have increased feed prices for livestock; however, there has been a focus on cellulosic ethanol. Cellulosic ethanol would eventually replace corn ethanol.

Director Steen commented that farming is great and that it has been an outstanding honor for him to represent the farmers of Missouri.

V. Department of Natural Resources

Director Childers

Director Childers reported that the Department continues to work on sewer and water plants and approximately 20 or more plants have been upgraded or replaced through the Governor's Clean Water Initiative.

Director Childers stated the Department also has been focusing on retention and replacement of employees that will be retiring.

Director Childers commented the Department is working to change the culture of how people view the Department; changing the view to working with the public instead of being viewed as an enforcement tool.

VI. Lieutenant Governor's Report

Lt. Governor Kinder

Chairman Kinder reported on the Tour of Missouri's success. The 2008 Tour was extended to seven days with the race beginning in St. Joseph and ending in St. Louis. The weather was very challenging with only one fair day of weather during the race. Overall there was a projection of approximately 434,000 people for the entire seven days.

Chairman Kinder reported an economic impact study would be released soon. There was a tremendous amount of media coverage on the race this year and during the race it was announced nationally and internationally that Lance Armstrong was coming out of retirement. Event coordinators are hopeful that Lance will compete in next year's Tour

of Missouri. Race coordinators have commented the Tour of Missouri has surpassed the Tour de Georgia, as far as stature, in two years.

VII. Old Business

- A. EnerSys Energy Products, Inc. Mike Golden
Final Authorizing Resolution

Mike Golden reported on the BUILD Missouri application from EnerSys Energy Products, Inc. that was presented to the Board at its January 15, 2008 meeting. The Board adopted a preliminary resolution to issue bonds in an amount not to exceed \$1,240,000. Since that time, counsel for the Company and the Board have been working on completing the financing documents.

Mr. Golden stated all financing terms remained as originally presented. The Company has pledged to add 180 new jobs and make an investment of more than \$39 million upgrading its facility in Warrensburg, MO.

Mr. Golden distributed a letter from the Missouri Department of Economic Development that explained discussions between the Company and the Department regarding the retention of current jobs and the addition of new jobs. The Company also requested a bond term of 10 years in lieu of the normal 15 years.

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 BUILD MISSOURI REVENUE BONDS (ENERSYS ENERGY PRODUCTS INC. PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,240,000 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO FINANCE A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF ENERSYS ENERGY PRODUCTS INC.; 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.

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

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

- B. Cook Composites and Polymers Co. — IRB Kathleen Barney
Resolution for Substitute Letter of Credit Provider

Kathleen Barney presented information on Cook Composites and Polymers Co. (“CCP”). CCP is a world leader in production and distribution of gel coats, unsaturated polyester resin, coatings resin and emulsions. In 1994, the Board issued tax-exempt bonds for \$4.5 million.

Ms. Barney stated the current request was to approve a substitute Letter of Credit provider for the bonds. BNP Paribas currently provides the Letter of Credit and CCP has requested Credit Industriel et Commercial be the substitute Letter of Credit provider. The current outstanding principal balance of the bonds is \$3,135,000 and the final maturity date is November 1, 2024.

Staff recommended adoption of the Resolution approving a Substitute Letter of Credit Provider.

Secretary Neff made a motion to adopt the following Resolution:

RESOLUTION APPROVING A SUBSTITUTE LETTER OF CREDIT PROVIDER IN CONNECTION WITH THE BOARD’S INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1994 (COOK COMPOSITE AND POLYMERS CO. PROJECT).

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

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

- C. MasterCard International — IRB Refunding Bonds Kathleen Barney
Resolution of Intent

Kathleen Barney reported on the MasterCard International Incorporated (“MasterCard”) project. In 1999 the Board issued \$154 million in bonds for the property in O’Fallon as part of a tax abatement proposal to create a global processing headquarters for MasterCard. In 2001, MasterCard had 1,516 employees on site and currently employs 1,852 employees.

Ms. Barney stated the Board currently holds title to the facility and leases it to the O’Fallon Public Facilities Authority (the “Authority”) which then subleases it to MCI O’Fallon 1999 Trust (the “Trust”), which further subleases it to MasterCard. The City of O’Fallon and the Wentzville R-IV School District agreed to the structure to provide tax abatement for a 20-year period.

Ms. Barney reported that MasterCard wished to exercise its option to refund the Bonds to eliminate the Authority as a party to the refinancing as requested by the Authority. Eliminating the Authority’s interest in the facility will streamline the financing structure. MasterCard will purchase the refunding Bonds.

Staff recommended approval of the Resolution of Intent for Bonds not to exceed \$160,000,000.

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

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS INDUSTRIAL DEVELOPMENT REFUNDING REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$160,000,000 TO REFUND A PRIOR SERIES OF THE BOARD’S BONDS ISSUED TO FINANCE THE COSTS OF A PROJECT FOR THE BENEFIT OF MASTERCARD INTERNATIONAL INCORPORATED.

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

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

D. US Bank Resolution Krystal Davis
Depository Services for MDFB

Krystal Davis reported on the depository services resolution for governmental entities as provided by US Bank. The purpose of the resolution was to replace the invalid resolution currently on file.

Ms. Davis stated that by approving the resolution, the Board authorizes certain individuals to conduct business at US Bank on behalf of the Board.

Staff recommended adoption of the depository services resolution.

Secretary Neff made a motion to approve the resolution. Director Steen seconded the motion. The following vote was recorded:

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

E. Approval of FY 2009 MDFB Budget Krystal Davis

Krystal Davis presented the revised budget for the Fiscal Year Ending June 30, 2009 along with budget projections for 2010 and 2011. Ms. Davis noted the line item addition of \$500,000 for the 2009 Tour of Missouri.

Staff recommended approval of the FY 2009 Budget as presented contingent upon further discussion of the Board's pension line item.

Vice Chairman Starr made a motion to approve the FY 2009 Budget as presented. Secretary Neff seconded the motion.

Vice Chairman Starr requested a line item addition of \$10,000 for the Board to become a member of the Hawthorn Foundation.

Vice Chairman Starr amended his motion to include the Hawthorn Foundation membership line item addition to the FY 2009 Budget. Treasurer Grumney seconded the motion to approve the amended FY 2009 Budget. The following vote was recorded:

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

VIII. New Business

A. City of Independence — Public Infrastructure Bonds Kathleen Barney
Electric Utility Capital Improvements
Resolution of Intent

Kathleen Barney presented the application from the City of Independence for public infrastructure bonds for electric utility capital improvements. Ms. Barney reported the City’s Power and Light Department currently has two generating plants that are 50 years old and are approaching the end of their useful lives. The City has identified over \$100 million of improvements needed in the system over the next five years.

Ms. Barney stated the repayment source is City annual appropriation pledge of electric utility revenues available after payment of outstanding City issued revenue bonds and leasehold interest in improvements financed. A rating of at least A3 from Moody’s or an A- from Standard & Poor’s is expected.

Staff recommended adoption of the Resolution of Intent for bonds not to exceed \$117,560,000 for the City to fund electric system improvements.

Treasurer Grumney made a motion to approve the following Resolution of Intent:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR THE CITY OF INDEPENDENCE, MISSOURI, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS INFRASTRUCTURE FACILITIES REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$117,560,000 TO FINANCE THE COSTS OF SUCH PROJECT.

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

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

B. City of Independence — Public Infrastructure Bonds Kathleen Barney
Water Utility Capital Improvements
Resolution of Intent

Kathleen Barney presented the application from the City of Independence for public infrastructure bonds for water utility capital improvements. Ms. Barney reported the City’s Water Department (the “Department”) has a need for more than \$20 million of improvements to its system over the next four years.

Ms. Barney stated the Department had a cost-of-services study conducted and the City Council recently approved a 9%, 4-year rate increase based on the study. The repayment source will be City annual appropriation pledge of available water

system revenues. A rating of at least A3 from Moody's or an A- from Standard & Poor's is expected.

Staff recommended adoption of the Resolution of Intent for bonds not to exceed \$24,100,000 for the City to fund water utility capital improvements over the next four years.

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

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR THE CITY OF INDEPENDENCE, MISSOURI, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS INFRASTRUCTURE FACILITIES REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,100,000 TO FINANCE THE COSTS OF SUCH PROJECT.

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

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

Nay: None

Absent: Eckelkamp

Chairman Kinder declared the motion passed.

IX. Miscellaneous

Robert V. Miserez

Mr. Miserez reported on the following:

- A Three Trails/Bannister Mall project meeting is scheduled for October 2 between Department of Economic Development Staff and Board Staff to discuss and set the minimum parameters of the project with the intent to bring before the Board a recommendation at the November Board meeting. A meeting with the project developers and their representatives is scheduled for October 9.
- The Board received a request from CORTEX/CET asking the Board to consider moving their calendar year 2008 contributions into future years advising that given the credit markets they are not raising contributions this year. Of the \$3 million tax credits authorized for CORTEX, they requested \$2 million be moved forward. Of the \$2 million tax credits authorized for CET, they requested \$1,750,000 be moved forward. It would be the intent of Board staff to reallocate the unused 2008 CORTEX/CET credits towards the US Bank Tower Garage project.

- Staff have been in discussions with US Bank regarding the Tower Garage and are working on the RFQ for the project. In anticipation that the RFQ is successful, there would be the possibility that staff will ask the Board at the November meeting to accelerate a portion of the US Bank Tower credits authorized for calendar year 2009-2010 into calendar year 2008 credits.
- The City of St. Louis anticipates returning to the Board at its January 2009 meeting with an amended plan for a final authorization on the Ballpark Village MODESA project.

X. Adjournment

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

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

Nay: None

Absent: Eckelkamp

The meeting was adjourned.

[Secretary Neff's Signature]