

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

SEPTEMBER 9, 2008

The Missouri Development Finance Board met in special session on Tuesday, September 9, 2008, beginning at 9:30 a.m. The meeting was conducted via telephone conference call.

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	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
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	Absent
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 and Valerie Haller

Board Counsel: David Queen and James Caldwell

Others Present: Barbara Geisman, City of St. Louis; Mike Lause, Tom Minogue and Steve Blackwell, Thompson Coburn LLP; Joseph Ullrich and Joseph Imbs, US Bank; and Rick Messey and Lexi Buente, Colliers Turley Martin Tucker

I. Old Business

- A. Kerry, Inc. — BUILD Missouri Mike Golden
Amendment to Final Authorizing Resolution Extending Time to Issue Bonds

Mr. Golden reported on the BUILD Missouri Bonds for Kerry, Inc. in an amount not to exceed \$1,036,000. The proposed amendment is to allow additional time to close the bond issue.

Mr. Golden stated the prior resolution recognized the Company would be changing its name; however, the Company subsequently decided against the name change and currently desires to proceed with the issuance.

Staff recommended adoption of the Amending Resolution approving the issuance of Bonds by no later than October 15, 2008.

Member Wilson made a motion approve the following Amending Resolution:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD
AMENDING A PRIOR RESOLUTION OF THE BOARD AUTHORIZING
THE ISSUANCE OF THE BOARD'S BUILD MISSOURI REVENUE
BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$1,036,000 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A
LOAN TO ACQUIRE, CONSTRUCT AND EQUIP CERTAIN
FACILITIES FOR THE BENEFIT OF KERRY INC.**

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

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

Nay: None

Absent: Starr, Eckelkamp and Childers

Chairman Kinder declared the motion passed.

VII. New Business

- A. Board Acquisition of Real Estate (an Existing Garage) Robert V. Miserez
and Land Parcel for the Construction of a New Parking Garage
in Downtown St. Louis

Mr. Miserez presented the recommendation of staff for the Board to accept as a contribution for tax credits an existing 364-space parking garage adjacent to the US Bank Tower, and also the acceptance of a contribution of a land parcel that

currently has some improvements making it a pedestrian mall. The purpose for accepting the second land parcel would be to construct a new and not less than 360-space parking garage.

Mr. Miserez reported the US Bank Tower located at 7th & Locust is a 735,900 square foot, 35-story Class A office tower that was constructed beginning in 1974 with occupancy beginning the following year. The Tower has eight tenants not counting space occupied by the Bank and a full service café. The anchor tenant is Thompson Coburn which occupies approximately 230,000 square feet and employs 590 individuals with an annual payroll of more than \$31 million at that site.

Mr. Miserez stated very preliminary work and cost estimating had been discussed as to the values of the contributions. The existing garage and the land parcel would be valued based upon the lower of the two necessary MAI appraisals as required by our statutes, but using current cap rates on the existing garages' cash flows and revenues, that contribution is valued at approximately \$5.5 million. The parcel, based upon the City appraiser, is valued at approximately \$3.8 million. Should the Board be supportive of going forward on these projects, the total amount of tax credits involved is less than \$5 million and the credits would be spread over two calendar years.

Member Eckelkamp joined the call.

Mr. Miserez proposed that the Board acquire the existing garage and the land parcel to build the new garage and operate the garages as done similar to the St. Louis Convention Center Hotel Garage and the Old Post Office/Ninth Street Garage. All parking spaces in both the new and existing garage would be leased at market rate and the primary tenants would be those located in the US Bank Tower. Mr. Miserez reported the area is severely under parked and occupants of the Tower have been searching for good alternative parking for some years.

Mr. Miserez stated staff had completed rough estimates for the cost of constructing the new garage, based upon the experience of the Board's two existing garages, and from preliminary discussions between St. Louis Parking Company and BSI Construction Co., with an estimate of approximately \$15 million to construct a new parking garage if three levels are underground and three levels above ground. The cost could change substantially dependant upon the levels constructed under or above ground.

Mr. Miserez commented that staff supports the project and believes it is very important for the Board and downtown St. Louis. The loss of Thompson Coburn jobs from this facility and from the City would be a very negative blow to the City.

Mr. Miserez stated the subsidy involved to make this project cash flow is the Bank's contribution of the two assets — one of which is already revenue-

producing, and the other would become revenue-producing after completion of the construction.

Treasurer Grumney asked if 364 parking spaces would be enough. Mr. Miserez commented that the 364 parking spaces were the bare minimum. The Board would hire a parking consultant to complete an analysis of the parking needs to determine the appropriate size of the new garage.

Tom Minogue with Thompson Coburn stated the 364 parking spaces would be sufficient and would satisfy the needs of Thompson Coburn.

Mr. Miserez reported it is staff’s goal to make the project cost-neutral for the Board. The revenues from the two new garages would offset the debt proposed to construct the new garage and operating expenses.

Chairman Kinder made a motion to approve the following Preliminary Resolution:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING THE SUMMARY OF PROJECT TERMS AND CONDITIONS IN CONNECTION WITH THE CONSTRUCTION OF A NEW PARKING GARAGE IN DOWNTOWN ST. LOUIS, MISSOURI; AND AUTHORIZING THE ACCEPTANCE OF A CONTRIBUTION IN AN AMOUNT NOT TO EXCEED \$10,000,000 UNDER THE TAX CREDIT FOR CONTRIBUTION PROGRAM

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

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

Nay: None

Absent: Starr and Childers

Chairman Kinder declared the motion passed.

III. Adjournment

There being no further business before the Board, there was consensus to adjourn the meeting. The meeting was adjourned.

[Secretary Neff’s Signature]