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JOHN M. PARRY
RICK HOLTON JR.

EXECUTIVE DIRECTOR:
MARK STOMBAUGH



EX-OFFICIO MEMBERS:
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LIEUTENANT GOVERNOR

MAGGIE KOST
ACTING DIRECTOR,
ECONOMIC DEVELOPMENT

CHRIS CHINN
DIRECTOR, AGRICULTURE

DRU BUNTIN
DIRECTOR,
NATURAL RESOURCES

MISSOURI DEVELOPMENT FINANCE BOARD

MEETING MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

Governor Office Building
200 Madison Street, Room 1010
Jefferson City, Missouri

September 20, 2022

The Missouri Development Finance Board met in regular session on Tuesday, September 20, 2022, beginning at 10:30 a.m. Notice of the meeting was duly posted as required by Section 610.020 RSMo at the MDFB principal office.

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

Marie J. Carmichael	Chair	Present
Matthew L. Dameron	Vice Chair and Member	Present
John E. Mehner	Treasurer and Member	Present *
Brent Buerck	Secretary and Member	Present *
Dan Cranshaw	Member	Present *
John Parry	Member	Present
Rick Holton, Jr.	Member	Absent
Mike Kehoe	Lieutenant Governor and Member	Absent
Maggie Kost	Director, Dept. of Economic Development and Member	Present
Chris Chinn	Director, Dept. of Agriculture and Member	Present
Dru Buntin	Director, Dept. of Natural Resources and Member	Absent
Mark Stombaugh	Executive Director and Assistant Secretary	Present

* Participated via WebEx

Chair Carmichael called the meeting to order and declared a quorum was present. In addition to the above members, attendees were:

Board Staff: Erica Griffin, Kimberly Martin

Board Counsel: Erick Creach

Others Present: Adam Gresham, Lieutenant Governor's Office; Mike Sutherland, Department of Natural Resources; Kerrie Tyndall, City of Kansas City, Dave Frantze and Judd Treeman, Stinson LLP; Mukul Sharma, KC Current; and Matt Rooney, Kit Bond Strategies; Luke Holtschneider, Jefferson City Regional Partnership; Joe Lopez, Community Asset Builders; Sam Bushman, Cole County Presiding Commissioner; Jeff Hoelscher, Cole County Commissioner;

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Larry Linthacum, Special Olympics Missouri; Tom Chapman, United Capital City Soccer. Reagan Holliday, Hilltop Securities joined via WebEx.

I. Secretary's Report Secretary Buerck

Secretary Buerck presented for approval the minutes from the July 19, 2022 meeting. The minutes were included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Vice Chair Dameron made a motion to approve the minutes as presented. Member Parry seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

II. Department of Economic Development Director Kost

Acting Director Kost discussed the American Foods Group ground breaking that occurred the week prior and passed along compliments from American Foods Group to the state team that was involved in securing their location in Warren County, Mo.

Acting Director Kost also mentioned that the Department is continuing to roll out ARPA programs with Broadband, Tourism, and Small Business Grant guidelines expected to be released through the fall.

III. Department of Agriculture Director Chinn

Director Chinn reported that the Department of Agriculture also participated in the ground breaking ceremony at American Foods Group last week. She noted its importance to Missouri to our many beef producers.

Director Chinn discussed the Agricultural Tax Credits that are being reviewed within the special session requested by Governor Parson this year.

Director Chinn noted that highly pathogenic avian influenza is being reported in neighboring states with Missouri on alert to increase safety measures.

Director Chinn mentioned that the State's Drought Task Force is continuing to monitor drought conditions with 51.8 percent of Missouri now in drought status. While the drought has primarily impacted the southern part of the State, they are seeing areas farther north in drought conditions as well.

IV. Department of Natural Resources Director Buntin

Mike Sutherland, on behalf of Director Buntin, continued with Director Chinn's comments on the Drought Task Force, noting that the Task Force continues to meet and monitor conditions throughout Missouri.

Mr. Sutherland noted the Department's ARPA funds received 1,000 applications for the \$400 million allocated through the program. Applications were focused on water and

wastewater improvements projects. Department staff expects to be completed with the application reviews by mid-October.

Mr. Sutherland also noted a new state park, Bryant Creek State Park, will be opening this Thursday. Bryant Creek is a 3,000 acre park located in southern Douglas County.

V. Lieutenant Governor's Report

Lt. Governor Kehoe

Adam Gresham, on behalf of Lieutenant Governor Kehoe, congratulated Director Chinn on another successful Missouri State Fair and thanked the Departments, their staff and others that worked on the American Foods Group project. Mr. Gresham mentioned the legislative special session that is going on in the Capital. Mr. Gresham also noted that Buy Missouri week is scheduled for October 8th through the 15th and will be highlighting many businesses throughout the state.

VI. Old Business

**A. Plumrose USA (Columbia) BUILD Application
Final Authorizing Resolution**

Kimberly Martin

Ms. Martin reported the Board adopted a preliminary resolution expressing its intent to issue BUILD Bonds to Plumrose USA for their Columbia facility at its March 16, 2021 meeting. Ms. Martin noted that the project consists of the construction of a new facility and is anticipated to create 235 new jobs over the next three years and invest approximately \$186 at this location.

Ms. Martin provided a brief update on the Plumrose USA facility in Moberly, MO which received the Board's final approval for BUILD bonds last year. Ms. Martin noted that each facility is new to Missouri and each facility has individual reporting requirements and are separate transactions. Ms. Martin asked for approval of the Final Authorizing Resolution for Bonds not to exceed \$3,012,000 to benefit the Columbia location.

Vice Chairman Dameron made a motion to adopt the following Final Authorizing Resolution for BUILD Bonds not to exceed \$3,012,000 for the Plumrose USA, Inc., (Columbia) Project:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (PLUMROSE USA., INC. PROJECT – COLUMBIA), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,012,000 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 PLUMROSE USA., 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 Parry seconded the motion. The following roll call vote was recorded.

Aye: Dameron, Mehner, Buerck, Cranshaw, Parry, Kost, Chinn, and Carmichael

Nay: None

Absent: Holton, Kehoe and Buntin

Chair Carmichael declared the motion passed.

B. St. Louis Zoo – Revenue Bond Application Mark Stombaugh
Final Authorizing Resolution

Director Stombaugh summarized the request from the St. Louis Zoo to issue bonds to finance costs associated with renovating, expanding, and improving facilities throughout St. Louis City and St. Louis County. The proceeds of the bonds would finance a portion of costs primarily for WildCare Park on the North campus.

The Wildcare Park will consist of the Kent Family Conservation and animal science center and the Wildlife Adventure Park. Additional improvements are planned at the Main Campus, specifically in the Children and Family Experience. These projects are anticipated to come online beginning in 2024 and 2025 and all be accessible for all visitors and residents by 2027.

The total anticipated costs are \$230,000,000. The Board has been requested to issue bonds in an amount not to exceed \$150,000,000. This amount has increased slightly from the original Resolution of Intent which will allow additional capitalized interest and overall flexibility and efficiency when placing the financing. The remaining capital will come from donations and operational funds of the Zoo.

Director Stombaugh recommended the Board approve the Final Authorizing Resolution in the amount not to exceed \$150,000,000. He noted that this is a conduit issuance and the Board does not have any repayment obligation. Director Stombaugh also extended a thank you to Mrs. Brown-Ray and the excellent team that was assembled for this key financing to allow for the transformational investment by the Zoo. MDFB staff was excited to support and play a role in the project financing.

Member Parry inquired about the bond rating section of the memo, asking how staff determines an acceptable rating, or other security. Director Stombaugh commented that Zoo was in the process of receiving their rating and that the BBB or better is simply the minimum listed, not what has been assigned for this specific issue. Mr. Creach shared that historically the Board has used BBB or better, as it represents the threshold for investment grade bonds. He clarified the

statute simply stipulates transactions have security acceptable to the Board. If it was the desire of the Board to discuss that threshold policy or request other levels or types of security for specific future projects it would certainly be possible.

Chair Carmichael thanked staff for the clarification and asked if there were any additional questions about the Final Authorizing Resolution.

Secretary Buerck made a motion to adopt the following Final Authorizing Resolution for Revenue Bonds not to exceed \$150,000,000 for the Zoological subdistrict project:

RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF REVENUE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$150,000,000, TO PROVIDE FUNDS TO BE LOANED TO THE ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE CITY OF ST. LOUIS AND COUNTY OF ST. LOUIS; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Vice Chairman Dameron seconded the motion. The following roll call vote was recorded.

Aye: Dameron, Mehner, Buerck, Cranshaw, Parry, Kost, Chinn, and Carmichael

Nay: None

Absent: Holton, Kehoe and Buntin

Chair Carmichael declared the motion passed.

C. City of Kansas City – Berkely Riverfront/ Mark Stombaugh
KC Current Tax Credit Application -Final Authorizing Resolution

Director Stombaugh thanked the local team for their overview and presentation to the Board at the July 19th meeting to highlight the larger master development being explored by the City of Kansas City and Port KC. Together with these public partners, the ownership group for the KC Current, a franchise of the National Woman’s Soccer League (NWSL), are proposing a \$118,000,000 stadium facility to anchor the Berkley Park Riverfront Development.

The proposed 11,500 seat stadium has already proven to be a catalyst to additional development along the riverfront as well as a key component to the regions successful effort to host the World Cup in 2026.

The requested tax credits will assist in funding a portion of the costs of preparing the site and constructing basic utility infrastructure throughout and off-site to

serve the facility and the planned redevelopment area. Staff has continued to work with the local team to better understand and define these costs. The applicant and partners have been helpful and accessible providing additional details. Included with the packet for the Board's review, is an amended budget as well as additional supporting narrative from the KC Sports Commission.

Staff recommends the Board approve an allocation of \$5,500,000 in tax credits to raise \$11,000,000 in contributions to the Board. He thanked the local team for their attendance and indicated they were available to answer any questions the Board may have.

Chair Carmichael asked if there was any discussion or questions from the members. Member Perry asked how the \$5,500,000 was determined. Director Stombaugh stated that the additional discussions and budget amendment informed and more accurately supported that amount of public infrastructure investments the Board typically looks for with these opportunities.

Vice Chair Dameron commented about the incredible impact this project would have on the riverfront and how he appreciated being able to work through the process to support the project. Chair Carmichael also shared her excitement for the leading investment in women's athletics.

Member Parry made a motion to adopt the following Authorizing Resolution approving \$5.5 million in tax credits subject to \$11 million in contributions for the City of Kansas City for the benefit of the Berkley Riverfront/KC Current Stadium project:

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD MAKING CERTAIN FINDINGS AND DETERMINATIONS; APPROVING THE ISSUANCE OF TAX CREDITS PURSUANT TO THE TAX CREDIT STATUTE; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH SUCH APPROVAL.

Vice Chairman Dameron seconded the motion. The following roll call vote was recorded.

Aye: Dameron, Mehner, Buerck, Cranshaw, Parry, Kost, Chinn, and Carmichael

Nay: None

Absent: Holton, Kehoe and Buntin

Chair Carmichael declared the motion passed.

VII. New Business

A. Cole County – United Capital City Soccer Tax Credit for Contribution Application

Kimberly Martin

Ms. Martin introduced the Tax Credit Application from Cole County for the benefit of United Capital City Soccer Club (UCC). Ms. Martin noted that Cole County is asking for \$1 million in tax credits to assist them in raising \$2 million in contributions to assist in developing a 21 acre complex in an expanding area of Jefferson City, their total project costs are anticipated to exceed \$8 million.

Ms. Martin invited Luke Holtschneider to begin the presentation of the project to the Board. Mr. Holtschneider introduced the partnership team in attendance and provided an overview of the public/private partnerships that have assisted in bringing the project to its current state. Mr. Holtschneider mentioned the partners unable to join them today include the City of Jefferson City and the Jefferson City Convention and Visitors Bureau.

Mr. Holtschneider spoke of the nearly 15 year history of UCC and the grass roots effort that is dedicated to teaching, promoting and developing young athletes into productive members of the community. Mr. Holtschneider also stated that they are hoping to enhance opportunities for development in the area to benefit local families and attract visitors and gave details regarding the location of the proposed development and the potential for growth in the surrounding area.

Mr. Holtschneider introduced Larry Linthacum of Special Olympics Missouri. Mr. Linthacum spoke in support of UCC's plans as they would enhance the opportunities available to the Special Olympics athletes, as well as providing a great opportunity for traditional student athletes in this area to find something they are passionate about. Mr. Linthacum also spoke about the expansion opportunities for the Special Olympics campus and the need for development of the surrounding area to attract hotel and restaurant choices to service the families of the athletes.

Mr. Holtschneider provided details on the condition and location of the proposed complex and further explained the redevelopment needs and opportunities in the area. Mr. Holtschneider also outlined the funding sources anticipated to complete the project which include private donations, a property donation and ARPA allocations from both the City and County.

Chair Carmicheal inquired about the scholarship opportunities mentioned in the application and whether or not there are plans to expand those opportunities as they expand their capacity to take on new athletes. Mr. Holtschneider replied that UCC does intend to expand their scholarship offerings upon the completion of new complex. Chair Carmicheal asked that the team respond to the Board with more detailed information regarding the number and amount of scholarships currently offered and their plans to offer more in the future.

Member Parry inquired about the \$1 million contribution already received and whether or not that contribution would be requesting tax credits. Mr. Holtschneider clarified that the contribution already received was not expecting tax credits, he added that the land donation would also be made without the expectation of tax credits.

Secretary Buerck asked about the status of the excavation at the project site. Mr. Holtschneider replied that quarry activities are now ongoing and that the work would benefit UCC as it would result in the property being closer to the level needed for their development.

Chair Carmicheal encouraged the team to explore the possibility of increasing their ARPA requests from the City and County in order to secure more funding.

Member Parry inquired as to whether or not they have reached out to local schools to explore partnership opportunities. Tom Chapman, President of UCC, responded that they have begun discussions with local schools regarding the use of fields for tournaments and that they hope to be able to look at additional partnership opportunities with them once the complex is developed.

Adam Gresham stated that as a Jefferson City resident he has been hearing about this project for some time and has seen excitement throughout the community for it. He commended the team for their long-term commitment and for their desire to benefit the community.

Vice Chair Dameron commented that he has visited similar complexes and has seen firsthand the amount of activity they can spur. He asked for more detail on the status of recruitment of hotels and restaurants to the area. Mr. Holtschneider indicated that conversations with both restaurant and hotel properties have been initiated and they believe there is much excitement shown for the area due to its access to the highway and proximity to both this development and the Special Olympics campus.

Director Stombaugh thanked the team for their presentation and for being responsive to staff during the application process.

B. GASB Statement No. 87 - Leases

Erica Griffin

Ms. Griffin presented Government Accounting Standards Board Statement No. 87 (GASB No. 87), for the financial presentation and recognition of leases, effective for the Board's fiscal year ended June 30, 2022. GASB No. 87 addresses the recognition of leases as assets and liabilities within financial reporting based on the payment provisions of the lease contract. The value of the leases will be calculated at the present value of the lease payments over the term of the contract.

Ms. Griffin noted the new Standards replace existing lease accounting procedures and that she has been working with the Board's external auditors, Williams

Keepers LLC, in preparation for implementing GASB No. 87. The Board will have impacts from GASB No. 87 from both our roles as lessee and lessor.

Ms. Griffin noted that from the lessee's perspective, the Board will recognize 4 leases: the lease of office space, 2 copier machines, and 1 postage machine. These four leases will be recognized as a capital asset, Right of Use Asset, within the Statement of Net Position and will be amortized over the life of the lease. In addition, a new liability titled Lease Liability will be recognized. The cash outlays for the lease will include a principal and interest component, with the principal portion reducing the liability. Previously the cash outlay would have been 100 percent an expense.

Ms. Griffin then discussed GASB No. 87 as a lessor. The Board as a lessor will recognize 4 leases: Schnucks Markets at the Ninth Street Garage, 2 parking leases for reserved spaces at the Ninth Street Garage, and 1 parking lease for reserved spaces at the Seventh Street Garage. The accounting treatment for the lessor is the recognition of a loan receivable which will be reduced by a principal portion of the lease payment when received. The interest portion will be interest revenue. A liability will be recognized, known as Deferred Inflows – Leases which will be reduced monthly on a straight-line basis. In addition, Schnucks was granted a tenant improvement upon origination of the lease. The value of the improvement on July 1, 2021 would have been \$635,556. The \$635,556 will decrease the Deferred Inflows – Leases liability and result in a restatement of net position as of July 1, 2021 by increasing net position by that same amount.

Ms. Griffin noted that in addition to the financial impacts, there will be enhanced and more detailed note disclosures in the Annual Comprehensive Financial Report (ACFR) for the leased items falling under GASB No. 87. The Board also will not present comparative financials for the fiscal year 2022 ACFR but will include fiscal year 2021 financials as supplementary information at the back of the ACFR.

Member Parry inquired about the reasoning for the change in lease standards, why GASB No. 87 was necessary, and who are the intended end users. Ms. Griffin noted the intent was to recognize leases in a consistent manner among government's while recognizing the leases within the Statement of Net Position as an asset and a liability. The end users most interested would potentially be lenders and trustees who are looking for the long term impacts of lease contracts.

Director Chinn asked if this would have a longer term impact on our lease tenants utilizing Board assets or if this would create an unattractive landscape for prospective tenants as they look at applying these new standards. Ms. Griffin responded that as of now it probably would not as these standards are for governmental entities and the Board has mostly non-government tenants. The Federal Accounting Standards Board (FASB) is considering adopting new lease guidance but that has not been approved at this time and what it looks like could be substantially different than GASB No. 87. FASB would be the governing standards for non-governmental entities.

Chair Carmichael inquired on if this would have impacts on future projects the Board undertakes. Ms. Griffin and Mr. Creach noted that it might require additional consideration on if new projects contain components that would fall under GASB No. 87 and require additional financial reporting.

Staff recommend adoption of GASB No. 87 for fiscal year ended June 30, 2022.

Member Parr made a motion to adopt GASB No. 87. Vice Chair Dameron seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

VIII. Executive Director's Report

Mark Stombaugh

Director Stombaugh discussed the timing of the monthly treasurer's report and year end audited financials. Each year around the fiscal year end there is a lag in some of our monthly reporting while the books are being closed. Ms. Griffin has been in touch with Treasurer Mehner in that process and will be finalizing audit report and financials for our October meeting for Board discussion and approval.

The recruitment process for the Executive Assistant and Finance and Compliance Officer positions remains ongoing. Mr. Stombaugh thought that the response rate was positive and commented that he hoped to be able to move forward soon on the Compliance Officer with the hope of introducing that team member to everyone at the retreat in October.

Director Stombaugh shared the update on the fluid project pipeline. The Department is working to push as many as three projects over the finish line which would include the Board's consideration of BUILD Bond approvals. He also commented about the possibility that there may still be another Tax Credit Applicant desiring to present to the Board before the end of the calendar year.

Stombaugh thanked the staff team and the Board for their feedback in the planning stages of the upcoming retreat. The event will be held October 17th and 18th in Kansas City with lodging and meetings primarily taking place at the 21c Museum Hotel in Kansas City. After sharing the framework for topics and project tours, Mr. Stombaugh informed the group that individual confirmations with detailed agenda will be forthcoming.

IX. Adjournment

There being no further business before the Board, Vice Chairman Dameron made a motion to adjourn the meeting. Member Parry seconded the motion. By unanimous consent, Chair Carmichael declared the motion passed and the meeting adjourned.

Secretary Buerck