

CHAIR:
MARIE J. CARMICHAEL

MEMBERS:
MATTHEW L. DAMERON
BRENT T. BUERCK
DAN E. CRANSHAW
JOHN M. PARRY
RICK HOLTON JR.

EXECUTIVE DIRECTOR:
MARK STOMBAUGH



EX-OFFICIO MEMBERS:
MIKE KEHOE
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

February 21, 2023

The Missouri Development Finance Board met in regular session on Tuesday, February 21, 2023, 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 *
Brent Buerck	Secretary and Member	Present
Dan Cranshaw	Member	Present *
John Parry	Member	Present
Rick Holton, Jr.	Member	Present *
Mike Kehoe	Lieutenant Governor and Member	Present
Maggie Kost	Acting 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	Present
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, Cheryl Kerr, Rebecca Teague

Board Counsel: Erick Creach

Others Present: Ryan Elam, David Bushek, Mayor Bill Baird and Mark Dunning, City of Lee's Summit; Brandon Buckley, Lane 4 Properties; Gary Sage, Thank You Walt Disney; Ron Green, KC Imagine; Steven Rosenzweig and Kristin Lamprecht, SLSO; Katie Ward and Dave Rasmussen, Steadfast City. Mario Vasquez, City of Kansas City participated via WebEx.

200 MADISON STREET, SUITE 1000 P.O. Box 567 JEFFERSON CITY, MISSOURI 65102
TELEPHONE: (573) 751-8479 FAX: (573) 526-4418

Visit our website at <https://mdfb.org>

The meeting agenda was rearranged as follows for the convenience of members of the public.

I. Secretary's Report

Secretary Buerck

Secretary Buerck presented for approval the minutes from the January 17, 2023 meeting. The minutes were included in the Board materials distributed in advance of the meeting.

There being no questions, corrections or additions, Secretary Buerck made a motion to approve the minutes as presented. Member Parry seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

II. Treasurer's Report

Vice Chair Dameron

Vice Chair Dameron presented for approval the Treasurer's Report as of and for the six months ending December 31, 2022. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Director Kost made a motion to approve the Treasurer's Report as presented. Secretary Buerck seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

VII. Old Business

A. City of Kansas City – Thank You Walt Disney Inc.
Tax Credit for Contribution Application

Kimberly Martin

Ms. Martin introduced the Thank You Walt Disney Inc. project, which was preliminarily presented at the Board meeting held on December 6th, 2022. The City of Kansas City is requesting \$500,000 in Tax Credits to assist them in raising \$1,000,000 in contributions. Ms. Martin noted that during the previous meeting in December, the Board indicated their desire to withhold any action until the federal funding for the project had been secured. Staff has continued to work with the project team; documentation of the federal funding is included in the packet. With that being the final piece of funding, aside from the tax credits, staff recommends approval of the tax credit allocation.

Member Parry made a motion to approve the project as presented and adopt the following Authorizing Resolution:

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

Director Buntin seconded the motion. The following roll call vote was recorded.

Aye: Dameron, Buerck, Parry, Holton, Kost, Chinn, Buntin and Chair Carmichael

Nay: None

Absent: Cranshaw and Kehoe

Chair Carmichael declared the motion passed.

Lt. Gov Kehoe joined the meeting.

VIII. New Business

Presentation

Only: A. St. Louis LCRA – St. Louis Symphony Orchestra Kimberly Martin
Tax Credit for Contribution Application

Ms. Martin introduced the St. Louis LCRA's application for the benefit of the St. Louis Symphony Orchestra (SLSO). Ms. Martin stated that the application was requesting \$1,500,000 in Tax Credits to assist them in raising \$3,000,000 in total contributions. The total project is estimated at just over \$132,000,000 and will be for the renovation and expansion of Powell Hall, the home of SLSO.

Ms. Martin invited Mr. Doug Rasmussen to start the presentation. Mr. Rasmussen thanked the Board for their time and introduced himself as the Founder and CEO of Steadfast City Economic and Community Partners. Mr. Rasmussen invited Ms. Katie Ward and Ms. Kristin Lamprecht to join and assist in the presentation.

Ms. Lamprecht spoke about the current impact that Powell Hall has on the local community. The goal of this expansion will be to broaden and deepen community impact by creating an inviting, accessible and welcoming community destination. Powell Hall is located in an area with a poverty rate of nearly 56% and nearly half of the education program participants come from schools located in designated distressed census tracts. Ms. Lamprecht shared information about their College Connections program and how it has helped connect more than 300 low-income students to higher education opportunities.

SLSO also continues to pursue minority-focused programming through their In Unison program and their Music without Boundaries program. Ms. Ward stated that the MDFB Tax Credits would go directly to the Education and Learning Center that will directly benefit low-income youth in the community. Ms. Ward also stated that the MDFB support would be imperative to building their donor base.

Ms. Ward also stated that Powell Hall currently has poor ADA accessibility and wheelchair access and is not currently meeting the physical needs of SLSO concerning community programming events and how this project will help in creating a more welcoming and accessible environment.

Mr. Rasmussen emphasized the projects focus on social innovation, economic and community development stating that the current youth impacts are at 13,000 within a year and projecting to go up to 21,000 with this new project. He also explained that the project is a part of the Grand Arts District. There are several other projects planned in this corridor, including a large VA Hospital that will be around a \$100,000,000 investment.

Mr. Rasmussen stated the City has passed a resolution in support of this application and have approved an allocation of \$6,000,000 in New Markets Tax Credits. He displayed a map of the SLSO impacts through the St. Louis region and discussed the alignment with city's strategic plan, which Mayor Jones and Director Neal Richardson have developed. This plan focuses on five goals: strengthen neighborhoods, close the wealth gap, improve education and health outcomes and expand the tax base.

Chair Carmichael and Member Parry inquired as to how much of the \$120,000,000 in Applicant Funds, has been secured so far. Mr. Rasmussen answered that they have secured approximately \$100,000,000 and will continue to target smaller gifts to reach their goal. Chair Carmichael asked if those funds were separate from the symphony's foundation. Mr. Rosenzweig, of the SLSO, confirmed that the foundation and endowment funds are independently governed and restricted to operational funding. The endowment would not be able to provide support for the capital piece of this campaign.

Chair Carmichael thanked the representatives for their time and expressed her interest in the project and appreciation for their community outreach to underserved areas.

Vice Chair Dameron disconnected from the meeting.

Member Cranshaw joined the meeting.

Presentation

Only: B. City of Lee's Summit – Downtown Market Square Kimberly Martin
Tax Credit for Contribution Application

Ms. Martin introduced the City of Lee's Summit's application for tax credits for the benefit of the Downtown Market Square project. Ms. Martin summarized that the application was requesting, \$3,000,000 in tax credits to assist in raising \$6,000,000 in contributions to be used for a comprehensive downtown redevelopment project; with the total project estimated at just over \$120,000,000. Ms. Martin invited the team to begin the presentation.

Mr. Bushek, with the City of Lee's Summit, thanked the Board for their consideration and introduced the rest of the team in attendance. Mr. Bushek presented a map of Lee's Summit and gave a brief background of the project location. He explained the competitive process completed to secure Lane4 Property group as the developers representative and Biederman Redevelopment Ventures as the manager on the project. He also laid out authorizations by the City Council to approve a Chapter 353 redevelopment plan, allowing them to form a Redevelopment Corporation to spearhead the project. He further explained their intent to form an Advisory Committee, compiled of local interested citizens and businesses to provide input from the community during the design process.

Mr. Bushek stated that they initiated the design process with GLMV Architecture, 3-4 weeks ago and expect the design process to be complete by the end of this year. The demolition process is projected to begin in April with zoning hearings in July and August. That would allow the start of construction next year. Mr. Bushek summarized the budget for the project with an estimated \$23,563,882 for On-Site Public Components, \$6,500,000 for Off-Site Public Improvements and \$90,500,000 for Private Construction with a total budget estimate of \$120,563,882. He also detailed the sources of Public and Private Components as being \$17,943,882 from City Council Appropriations, \$4,120,000 from the Downtown Community Improvement District, \$3,000,000 from Tax Credits and Contributions Revenue and \$95,500,000 from Private Funds for a total of \$120,563,882.

Mayor Baird pointed out the central location of the project and how the current site compares to the rest of the downtown atmosphere. Mayor Baird expressed that the purchase of the land for this project has been a long time interest of the community as there is high demand for a larger community space. This would be accomplished through a mix of uses, including an area for a Farmers Market, possible Restaurant or Boutique Hotel, plans for a multifamily living space and the potential for additional needed commercial space.

Chair Carmichael inquired as to where the \$95,500,000 in private funds would be coming from and how far along they are in securing those funds. Mr. Buckley explained that those funds would be coming from the developer as well as any private users and operators bringing in the Hotel, Apartment Complex and the Food Hall. Mr. Buckley also stated that those funds have not officially been secured, but are actively being pursued.

Member Parry asked for clarification on whether the City of Lee's Summit is the Developer of this project. Mr. Bushek explained that the City is the developer but they are also partnered with the Lane4 Property Group. Lane4's two primary functions would be to assist with the public components, acting as the interface between architect, the Pre-Construction contract and then the Construction Contract. The second function will be to serve as the developer on the private components to the project and there are plans to sell the remaining balance of land to the developers.

Chair Carmichael inquired as to whether any of the federal funding from the ARPA Funds have been used. Mr. Bushek explained that the appropriations that occurred in 2021 and 2022 are the ARPA funds from the City.

Chair Carmichael inquired about the ongoing upkeep of this project and requested preliminary numbers on the budget for that. Mr. Buckley responded stating that they are in the process of working with the Redevelopment Corporation they have formed, as well as Biederman Redevelopment Ventures to come up with a sustaining budget.

Mr. Bushek provided additional explanation of the anticipated financing package to build the public components, including both City cash and future pledged revenues from the Downtown CID.

Member Rick Holton disconnected from the meeting.

VI. Lt. Governor's Report

Lt. Governor Kehoe

Lt. Governor Kehoe announced the opening of nominations for the Senior Service Awards, which will end on March 20th.

Lt. Governor Kehoe also informed the group about the Women's Achievement Award that will be announced the first of March, in celebration of women's history month.

Lt. Gov Kehoe left the meeting.

III. Department of Economic Development

Director Kost

Acting Director Kost spoke of the upcoming Senate appropriations hearing and provided an update on the current progress of the ARPA programs that the Department is responsible for including; the Community Revitalization Grants, Tourism Asset Development Grants, and Small Business Grants. Each of these programs would soon be making awards.

IV. Department of Agriculture

Director Chinn

Director Chinn expressed the ongoing issues with High Path Avian Influenza, with a recent outbreak in Carol County.

Director Chinn gave an update on concerns with Black Vultures and explained that the Department is going to have \$628,000 in the early supplemental budget to address the issue in the southern part of the state. The Department will be working to assist the US Department of Agriculture AFIS Wildlife services in helping farmers and ranchers with this challenge.

Director Chinn announced that it was currently FFA week for all of the FFA chapters across the state and spoke of plans to have the Governor and the Lt. Governor drive tractors from the Governor's mansion to the Capital, to kick off FFA week. Director Chinn also explained that following the tractor ride there would be a morning long session for the 40 schools in attendance to highlight careers in agriculture.

Director Chinn shared progress resulting from the Food and Beverage study that the Department conducted, led by Lt. Governor Kehoe. They are hoping to announce their Show Me Entrepreneurial Grants in March to help small businesses. The grants will have a component where new businesses that need Asset Plans written, can apply for a Grant to assist with that expense. Director Chinn added that another outcome of the study would call for the university system, throughout the state, to work on workforce development training and financial planning with these businesses.

V. Department of Natural Resources

Director Buntin

Director Buntin gave an update on the Water Grant Program, stating that they were able to fund 222 projects throughout the state with \$410,000,000, which the legislature appropriated. Those awards were announced in November.

Director Buntin shared that additional funding from the Federal Infrastructure Bill is expected to bring about \$150,000,000 per year, over the next 5 years, coupled with ARPA Grants for a total of \$1,300,000,000 in water infrastructure projects to be implemented over the next 5 years.

Director Buntin spoke about the State's current focus on making the Missouri river more reliable and expanding it as a navigation resource, as well as Dam and Port improvements that are happening along the Mississippi River.

VIII. New Business – (Continued)

C. Contribution Tax Credit Pilot Program

Mark Stombaugh

Executive Director Stombaugh presented a framework for the creation of a new Tax Credit Pilot Program for discussion. Mr. Stombaugh explained the goal of the program being to help drive the Tax Credit for Contribution Program into smaller communities. He reinforced the interest in a Pilot Program, would provide the opportunity to get feedback and learn the process.

The proposal establishes this Pilot Program with a \$500,000 allocation of contribution tax credits reserved for small cities, as well as a transfer of \$500,000 of unencumbered funds from the Industrial Development and Reserve Fund to the Pilot Program Project Fund. The Tax Credits will be used to leverage contributions of up to \$1,000,000 into the Pilot Program Fund for a potential balance of \$1,500,000.

Director Kost clarified that part of the purpose of this Pilot Program was to assist communities who are otherwise unable to participate in this program because of their possible lack of staff and inability to raise funds. Mr. Stombaugh agreed and explained the plan is to ensure that MDFB is available to try to remove barriers and aide in the fundraising process.

Director Kost and Chair Carmichael inquired as to the functionality of these funds compared to the current use of the existing contribution program. Mr. Stombaugh stated that these funds would be used with the same eligibility standards, lending their use more towards public infrastructure needs.

Director Buntin and Chair Carmichael inquired as to whether any foundations, or other large contributors, had been identified already to support the Pilot Program. Mr. Stombaugh replied that there were not any specific foundations or donors yet identified.

Chair Carmichael inquired if contributions must be made on behalf of a specific project. Mr. Creach responded that it would not have to be on behalf of a specific project. A contribution could be made for the Pilot Program fund and receive a tax credit.

Chair Carmichael also commented that the Board would not want to be duplicating other programs within the Department of Economic Development. Director Kost responded that while the Department does have similar contribution programs, they are experiencing the same issue with them being awarded mostly in the urban areas. That there has not been the capacity to utilize them in the more rural areas, which would be the focus of this Pilot Program.

Secretary Buerck, Director Chinn and Chair Carmichael questioned the population restrictions currently outlined in the proposal and the possibility of potentially lowering that range as to better target the smaller communities.

Chair Carmichael noted her interest in the program but desire to maintain the Board approval of each individual project. Mr. Stombaugh felt that would be achievable allowing staff the flexibility to present and summarize project requests on behalf of applicants as necessary. Mr. Stombaugh, Director Chinn, Director Buntin and Mr. Creach all spoke of the benefits this process would have by allowing the smaller communities to take advantage of the Pilot Program where normally they would not have the means to be as present in the process.

Secretary Buerck and Vice Chair Dameron expressed their agreeance in requiring the Boards approval on projects, seeing the value in support of staff who will work directly with all the stakeholders. Chair Carmichael thanked everyone for their input.

Mr. Stombaugh recapped topics of reconfiguring population size limits, detailing the process of Board authorization, forming the language to better express the types of projects requested and their eligibility, and sharing an updated version of the guidelines for adoption at a future meeting

Director Buntin inquired as to amount of funds allocated for this program as well as a cap per project for those funds. Director Stombaugh confirmed the total proposed for the fund is up to \$1,500,000 and expressed that \$250,000 was listed as a guideline and not necessarily a cap per project.

Chair Carmichael expressed the desire to make clear in the guidelines, the requirement of the small communities to actively engage in raising their own funds. It was generally discussed that local matching funds or private fundraising could potentially be used to leverage contributions from the fund.

Member Cranshaw disconnected from the meeting.
Vice Chair Dameron rejoined the meeting.

D. Revolving Loan Fund Reallocation

Mark Stombaugh

Executive Director Stombaugh presented to the Board, a request to transfer \$1,800,000 from the Small Business Loan Program to the MIDOC Loan Program.

The demand for Small Business Loans has been low which led to the interest and expansion of the program to focus on disaster funding gaps. Mr. Stombaugh stated that moving these funds would leave the flexibility to pivot funds back into the program in response to future needs, if desired. It would assist in putting more focus and emphasis on our support and partnerships for communities and political subdivisions.

Chair Carmichael inquired as to whether the Small Business Loan program was created by statute. Mr. Stombaugh explained the Small Business Loan was created by Executive Order and that we would retain the structure and ability to do Small Business Loans, we would just be adjusting the amount that we are allocating across our loan programs to reflect other priorities.

Vice Chair Dameron inquired as to the past amount of unrecovered loans. Mr. Stombaugh confirmed the inherent risky nature of these types of loans has resulted in adjustments and allowances for uncollectable loans.

Member Parry asked whether staff is anticipating an increase in MIDOC activity if additional funds are available. Mr. Stombaugh suggested that additional demand for MIDOC loans is anticipated, this in part because of the match requirement for communities using ARPA dollars. He indicated that staff has also had conversations with DED staff indicating this need as well has received feedback from communities seeking efficient and flexible ways to pay for infrastructure projects.

Chair Carmichael inquired as to the agreement that any policy changes to the MIDOC Program would require Board approval. Mr. Stombaugh agreed and stated the goal for this meeting was simply to approve the transfer of funds, as to better communicate to borrowers that Small Business Loans are no longer a priority of MDFB. Mr. Stombaugh stated any guidelines or policy changes would be brought back to the Board for future action.

Director Buntin made a motion to approve the transfer of \$1,800,000 in resources from the Small Business Loan Program to the MIDOC Program and allow the staff to develop revised guidelines for the MIDOC Program to be adopted by future action.

Member Parry seconded the motion. The following roll call vote was recorded.

Aye: Dameron, Buerck, Parry, Kost, Chinn, Buntin and Carmichael

Nay: None

Absent: Cranshaw, Holton, Kehoe

Chair Carmichael declared the motion passed.

IX. Executive Director's Report

Mark Stombaugh

Mr. Stombaugh introduced the new Administrative Coordinator, Rebecca Teague to the Board and welcomed her to the team.

Mr. Stombaugh stated that the upcoming March Board meeting is cancelled due to scheduling conflicts; the next meeting is planned for April 18th.

X. Adjournment

There being no further business before the Board, Secretary Buerck 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