

CHAIR:
MARIE J. CARMICHAEL

MEMBERS:
BRENT T. BUERCK
MATTHEW L. DAMERON
JOHN M. PARRY
DAN E. CRANSHAW
RICK HOLTON JR.
JONAS P. ARJES
JESSICA L. CRAIG

EXECUTIVE DIRECTOR:
MARK STOMBAUGH



EX-OFFICIO MEMBERS:
MIKE KEHOE
LIEUTENANT GOVERNOR

MICHELLE HATAWAY
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

July 18, 2023

The Missouri Development Finance Board met in regular session on Tuesday, July 18, 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
Brent Buerck	Vice Chair and Member	Present
Matthew L. Dameron	Treasurer and Member	Present
John Parry	Secretary and Member	Present
Dan Cranshaw	Member	Present
Rick Holton, Jr.	Member	Absent
Jonas Arjes	Member	Present *
Jessica Craig	Member	Absent
Mike Kehoe	Lieutenant Governor and Member	Present
Michelle Hataway	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, Charles Miller

Board Counsel: Erick Creach

Others Present: None

I. Secretary's Report

Secretary Parry

Secretary Parry presented for approval the minutes from the June 20, 2023 meeting. The minutes were included in the Board materials distributed in advance of the meeting.

There being no questions, corrections or additions, Vice Chair Buerck made a motion to approve the minutes as presented. Treasurer Dameron seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

II. Treasurer's Report

Treasurer Dameron

Treasurer Dameron presented for approval the Treasurer's Report as of and for the eleven months ended May 31, 2023. The Treasurer's Report was included in the Board materials distributed in advance of the meeting.

Treasurer Dameron noted the increased statement of net position to be about \$2,800,000 and highlighted an expense related to parking garage damage repairs from a vehicle collision as well as security updates.

There being no questions, corrections or additions, Secretary Parry made a motion to approve the Treasurer's Report as presented. Member Cranshaw seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

III. Department of Economic Development

Acting Director Hataway

Acting Director Hataway gave an update on line items approved in the FY 2024 budget recently signed by the Governor. She noted that about half of the 45 line items for the Department of Economic Development's budget were vetoed.

Director Hataway spoke of legislation recently signed by Governor Parson and others being tracked by the Department of Economic Development. Those items included Senate Bill 138, creating the "Missouri Hardwood Forest Product Promotion Fund"; Senate Bill 94, establishing the "Entertainment Industry Job Act" including a Film and Motion Media Tax Credit; and House Bill 417, working with Missouri One Start on an employer grant for employee upskilling as well as an Intern and Apprentice Recruitment Act.

Director Hataway noted that the project pipeline is tracking similar to last year as far as quantity but with a significant amount of sizable projects. She explained these larger projects, called megaprojects, provide over 1,000 jobs and/or over a \$1,000,000,000 investment.

Director Hataway highlighted a recent ARPA tour with Lt. Governor Kehoe making several stops across the state to celebrate some of the businesses and community development projects previously awarded with ARPA funds.

IV. Department of Agriculture

Director Chinn

Director Chinn gave an update on the Show-Me Entrepreneurial Grants for Agriculture program approved last year for FY 2023 & FY 2024. They were able to award about \$3,000,000 of the \$4,000,000 in funding available. She stated the MASBDA Board spent several hours reviewing the \$20,000,000 in applications they received to try to support all aspects of Agriculture. Some examples include a winery, meat processing business and a hardwood business. She stated that some of the FY 2023 budget also went to our higher education institutions for Workforce Development programs as well as institutional grants to support those businesses as well.

Director Chinn gave an update on planning for the Missouri State Fair and noted that the Department of Agriculture has started to hire the almost 900 temporary employees necessary for running the annual event. She highlighted two of this year's most anticipated performers, country singer Lainey Wilson and hip-hop artist Nelly.

Director Chinn spoke of a \$43,000,000 project for an update to the University of Missouri Veterinary Medical Diagnostic Lab. She noted that the legislature also awarded money for the Veterinary Student Loan Program, which increases the amount students can apply for each year and forgives one year of the loan for every year devoted to an area of need in the state. She also highlighted the \$25,000,000 update to the University of Missouri's Meat Laboratory to assist with increasing the workforce training for meat processors across the state.

Director Chinn gave an update on the current drought conditions stating several crops will be zeroed out with no production. She also stated with rising hay and transportation prices there are more cattle coming to the market and record numbers of cattle leaving the state.

Director Chinn shared the dates for the upcoming Missouri Governor's Conference on Agriculture to be held November 16-17.

V. Department of Natural Resources

Director Buntin

This report was deferred.

VI. Lt. Governor's Report

Lt. Governor Kehoe

Lt. Governor Kehoe gave an update on Veterans activities and spoke of the recent increase in funding for the Veterans Commission to provide updates to the homes and cemeteries in the St. James and Cape Girardeau area.

He also highlighted a memorial in Perryville, Missouri displaying the only exact replica of the Vietnam Veterans Memorial Wall. Lt. Governor Kehoe recently attended the opening of the new Fischer House in Columbia, Missouri, a privately funded home for families to stay while their loved ones receive care at VA hospitals. He plans to attend an upcoming Honor Flight in August.

Lt. Governor Kehoe stated tourism numbers continue to do well and spoke of a recent historical display of the Ozarks on the National Mall in Washington, D.C.

VII. New Business

A. Calvey Creek Sewer District – MIDOC Application

Kimberly Martin

Ms. Martin presented the MIDOC application from the Calvey Creek Sewer District for a MIDOC loan not to exceed \$246,450 to complete wastewater system improvements. Ms. Martin reported that this would be the Board's second loan to this district; in 2015, the Board approved just over \$75,000 in order to complete improvements to two lagoons they operate. Both facilities were in need of upgrades in order to meet disinfection limits in place at that time. One of those lagoons is in need of additional improvements in order to meet updated limits and remain compliant.

Ms. Martin stated that a preliminary engineering report has been completed and the recommended improvements are estimated to cost \$492,900. Franklin County awarded ARPA funds for half of the estimated project costs, contingent upon the district securing the remaining half in matching funds. She stated this application is seeking the \$246,450 necessary to match the ARPA funding and complete the project in a timely manner. A rate increase of \$2.32 is proposed and is expected to provide sufficient funding for loan repayment and future maintenance.

Ms. Martin noted that the 2015 MIDOC loan to Calvey Creek Sewer District is in good standing with 14 payments remaining.

Ms. Martin explained that this request of \$246,450 is above the \$150,000 maximum as stated in the current guidelines. Staff is suggesting that the loan maximum be exceeded for this project in order to allow the district to meet the matching requirements of the ARPA funding and move forward with the project.

Staff recommended approval of a MIDOC loan to Calvey Creek Sewer District, not to exceed \$246,450 with a rate of 3% for up to 20 years.

Member Cranshaw made a motion to approve the application for a MIDOC loan as presented. Lt. Governor Kehoe seconded the motion. The following roll call vote was recorded.

Aye: Buerck, Dameron, Parry, Cranshaw, Arjes, Kehoe, Hataway, Chinn and Chair Carmichael

Nay: None

Absent: Holton, Craig, and Buntin

Chair Carmichael declared the motion passed.

Director Buntin joined the meeting.

B. MDFB FY 2024 Budget Erica Griffin

Ms. Griffin presented the MDFB FY 2024 Budget, along with projections for fiscal years 2025 and 2026. Ms. Griffin discussed Operating Revenues and highlighted the Private Activity Bond and Public Activity Bond categories, both for \$75,000. She stated that these line items would be in anticipation of receiving a combined two issuances for the year at the maximum fee. She stated there has been an increase in activity and interest is expected to continue.

Ms. Griffin discussed Parking Garage Revenues noting that post-pandemic there has been a significant increase in special events in the downtown area. The garages benefited from the XFL being in the area this past year though it is not known if that event is returning, as such, the FY 2024 budget does not anticipate those revenues. Ms. Griffin also reported a loss in revenue of about \$90,000 due to losing a long-term parking tenant at the 9th Street Garage.

Ms. Griffin discussed the Interest Income on Loans and Notes Receivables and explained that this item is the Old Post Office Loan. She stated the amount shown is what is expected to be accrued from interest on payments over the FY 2024.

Ms. Griffin reported on the Parking Garage Interest Income and noted revenue being projected slightly lower than previous years, mainly attributable to the maturing LCRA loan. The loan was expected to mature in April of 2023 and with the potential extension to December 2023, the FY 2024 budget includes only 6 months of interest payments.

Ms. Griffin highlighted Total Operating Revenues expected to be around \$7,800,000 for the year.

Ms. Griffin discussed Travel Expenses and noted an increase to allow staff to be more involved in the community. Office Expenses show an increase as well, to account for the office move and an overlap of two leases.

Ms. Griffin discussed the Parking Garage Operating Expenses and expressed a slight estimated increase is anticipated.

Ms. Griffin discussed Operating Expenses and noted an increase in Personnel Services as MDFB anticipates being at full staff capacity this fiscal year. She noted the total Operating Expenses of \$6,100,000 with an Operating Income of \$1,600,000. The Non-Operating Revenue category includes Interest on Cash and Investments anticipating earning 2.5%.

Ms. Griffin highlighted the Parking Garage Bond/Loan Interest Expense and the Parking Garage Bond/Loan Expense categories and noted these estimates are contingent upon a potential early pay off on the Seventh Street Garage loan in October. Ms. Griffin stated that the early payoff should result in less interest expense incurred.

The total Change in Net Position for FY 2024 is projected at \$1,860,000.

Ms. Griffin discussed the Simple Cash Flow category and noted the Bond Principle Payment line item explaining that \$3,500,000 is attributed to Seventh Street Garage debt, which is budgeted to have an early redemption to pay off that debt by October 2023. The Capital Expenses line item includes the estimate for necessary furnishings at the new office space.

Ms. Griffin detailed Parking Garage Capital Expenses and noted a necessary elevator replacement at the Convention Center. This repair has been anticipated for the past 3 years and has been protractedly budgeted each of those three years to keep a shared awareness and ensure funds were established. The expected cost is over \$1,000,000. Staff intends to contract with an owner's representative group with experience in elevator replacements. This replacement process will start during FY 2024 with completion during FY 2025.

Ms. Griffin reported the IDR Fund is expected to have a balance of just under \$15,600,000 and the Parking Garage Fund to be around \$27,000,000.

Ms. Griffin reiterated staff recommended approval of the FY 2024 Operating Budget as presented which includes approval of the early redemption of the Seventh Street Garage Bond debt.

Secretary Parry made a motion to adopt the MDFB FY 2024 Budget as presented to include the early redemption of the Seventh Street Garage Bond debt. Member Cranshaw seconded the motion. The following roll call vote was recorded.

Aye: Buerck, Dameron, Parry, Cranshaw, Arjes, Kehoe, Hataway, Chinn, Buntin and Chair Carmichael

Nay: None

Absent: Holton and Craig

Chair Carmichael declared the motion passed.

CLOSED SESSION

Vice Chair Buerck made a motion to go into closed session pursuant to RSMo. Section 610.021(2). Lt. Governor Kehoe seconded the motion. The following roll call vote was recorded to go into closed session:

Aye: Buerck, Dameron, Parry, Cranshaw, Arjes, Kehoe, Hataway, Chinn, Buntin and Chair Carmichael

Nay: None

Absent: Holton and Craig

Chair Carmichael declared the motion passed and the Board entered closed session.

Lt. Governor Kehoe and Director Hataway left the meeting during closed session.

Upon completion of discussion with no action taken, Member Cranshaw made a motion to move the meeting back into open session. Treasurer Dameron seconded the motion. The following roll call vote was recorded:

Aye: Buerck, Dameron, Parry, Cranshaw, Arjes, Chinn, Buntin and Chair Carmichael

Nay: None

Absent: Holton, Craig, Kehoe and Hataway

Chair Carmichael declared the motion passed

OPEN SESSION

C. Approval of LCRA Extension

Mark Stombaugh

Executive Director Stombaugh shared that progress with St. Louis LCRA had been occurring regarding long-term solutions and the Board had previously taken action on this extension in April of 2023. Mr. Stombaugh clarified his recommended approval of an extension of the LCRA Loan through September 30, 2023 in place of the end of year December 31st date in his original materials.

There being no questions, corrections or additions, Secretary Parry made a motion to approve the extension through September 30, 2023. Member Cranshaw seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

VIII. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh highlighted a \$20,000,000 appropriation approved in the budget for an amphitheater development in Riverside, Missouri. The team will be coordinating with Director Hataway's team to understand how their one-time appropriations and new programming would be administered.

Mr. Stombaugh provided an update on the project pipeline. Staff is working with the Department of Economic Development to find the best method of support with the megaprojects previously mentioned by Director Hataway.

Mr. Stombaugh gave a special thanks to staff member Erica Griffin for her work on the budget while simultaneously onboarding the newest staff member. He welcomed the new Accountant, Charles Miller to the team.

Mr. Stombaugh announced the August Board meeting is cancelled; the next meeting is scheduled for September 19.

IX. Adjournment

There being no further business before the Board, Director Chinn made a motion to adjourn the meeting. Vice Chair Buerck seconded the motion. By unanimous consent, Chair Carmichael declared the motion passed and the meeting adjourned.

Secretary Parry