

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

September 19, 2023

The Missouri Development Finance Board met in regular session on Tuesday, September 19, 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:

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|---------------------|---|-----------|
| 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 | Present * |
| Mike Kehoe | Lieutenant Governor and Member | Absent |
| 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 Telephone conference call.

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, Cheryl Kerr, Rebecca Teague, Charles Miller and Austin Albert

Board Counsel: Erick Creach

Others Present: Mario Vasquez, Brian Platt and Morgan Holecek, City of Kansas City; Jerry Riffel, Lathrop and Gage; Ann Holliday and Bill Dietrich, Downtown Council; Chris Handzel, HNTB; John Moncke, Cordish Companies; Brian Connolly, Victus Advisors; Tara Green and Chip Trageser, OJB Architecture; Jon Stephens, Port KC; Brian Johnson, Loews Hotel; Richard Martin, JE Dunn; and Adam Gresham, Lt. Governor Kehoe's Office.

I. Secretary's Report

Secretary Parry

Secretary Parry presented for approval the minutes from the July 18, 2023 meeting. The minutes were included in the Board materials distributed in advance of the meeting.

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

By unanimous consent, Chair Carmichael declared the motion passed.

II. Department of Economic Development

Acting Director Hataway

Acting Director Hataway spoke of the recent announcement of the closure of two Tyson plants in Missouri. Several members of the Cabinet have been active in preparing for the situation and its affect on the economy. The closure of these two plants brings a potential loss of over 2,000 jobs. She also spoke of the recent UAW strike and noted that the state has been actively engaged with the local GM and Ford plants in Missouri during this situation.

Director Hataway highlighted the recent Governor's Conference on Economic Development hosted by the Hawthorne Foundation. She stated the department has received lots of positive feedback and thanked everyone for their attendance.

Director Hataway stated that the Department of Economic Development has begun the process of preparing for the FY 2025 Budget.

Director Hataway shared details of the upcoming trade mission with Director Chinn and Governor Parson, to Japan, focusing on automotive and heavy machinery.

III. Department of Agriculture

Director Chinn

Director Chinn gave an update on the Missouri State Fair and noted the attendance of almost 350,000 visitors with over 21,000 exhibitors.

Director Chinn explained that Missouri is currently still in a 78% drought status. Harvest has started and those with non-irrigated acres are largely affected. She stated that with the continuing drought conditions, river levels are a potential concern as it affects the transportation of a large portion of the grain as well as grain quality and the production of Aflatoxins. With freight prices the same and production reduced to around 60%, this is a large concern for farmers.

Director Chinn also spoke of the Tyson plant closings and noted that the Department of Agriculture has been working to find solutions for growers who were working with Tyson. Although Tyson does plan to honor their existing contracts with those growers, some of the farmers held loans beyond the terms of their current contracts with Tyson.

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

IV. Department of Natural Resources

Director Buntin

Director Buntin also spoke of the state's current drought conditions and noted that although there was some recovery for farmers, there remains potential for significant impacts on the navigation front. The Department of Natural Resources continues to monitor rainfall.

Director Buntin updated that the department is also currently focusing on the FY 2025 budget. He gave an update on the budget preparation and stated that there are plans to discuss a number of new funding sources with the legislature this coming session. The department is currently working to implement the funding that has already been appropriated for water infrastructure throughout the state and plans to execute the appropriated ARPA funding.

V. Lt. Governor's Report

Lt. Governor Kehoe

This report was deferred.

VI. Old Business

A. Missouri Association of Municipal Utilities (MAMU)
Amendment to Lease Revenue Bonds and
Commercial Paper Lease Revenue Notes Series 2003,
2005A, 2006A and Series 2008A

Mark Stombaugh

Executive Director Stombaugh presented for approval the Authorizing Resolution allowing the amendment of financing terms for MAMU.

Mr. Stombaugh explained the Board previously assisted MAMU with a Revenue Bond in 2003 as well as several Lease Revenue Notes. The Board has served as an issuer for MAMU several times in the past. There is currently an outstanding amount of just over \$37,000,000 utilized throughout 28 community projects.

Staff recommends the adoption of the Resolution authorizing the Board to amend certain financing documents relating to outstanding MAMU Series 2003 Lease Revenue Bonds and Series 2005A, 2006A and 2008A Lease Revenue Notes.

The Board will continue to have no repayment obligations on the MAMU Lease Revenue Bonds and Notes.

Treasurer Dameron made a motion to approve the project as presented and adopt the following Authorizing Resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO AMEND CERTAIN FINANCING DOCUMENTS RELATING TO CERTAIN OUTSTANDING LEASE REVENUE BONDS AND COMMERCIAL PAPER LEASE REVENUE NOTES (MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES LEASE FINANCING PROGRAM), SERIES 2003, SERIES 2005A, SERIES 2006A, AND SERIES 2008A; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE AMENDMENT OF SAID BONDS AND NOTES.

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

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

Nay: None

Absent: Holton and Kehoe

Abstention: Buerck

Chair Carmichael declared the motion passed.

VII. New Business

Presentation

Only: A. City of Kansas City – The South Loop Link Mark Stombaugh
Tax Credit for Contribution Application

Executive Director Stombaugh introduced the City of Kansas City’s application for the benefit of the South Loop Link. The application is requesting \$15,000,000 in Tax Credits to assist them in raising \$30,000,000 in total contributions. Mr. Stombaugh stated the South Loop Link Project is an urban infrastructure project that would create a park and related facilities on essentially over four blocks of Interstate 670, as it cuts through downtown Kansas City. The project would be constructed within the public right of way between the city of Kansas City and MODOT.

Mr. Stombaugh invited Brian Platt, the City Manager of Kansas City, to begin the presentation.

Mr. Platt thanked the Board and staff for their time. He stated the South Loop Link Project would resolve several of the quality of life issues for residents in the downtown area and create a destination park space that will attract visitors from all over. Mr. Platt highlighted the many partnerships in collaboration with this project as well as support from the Governor and General Assembly.

Mr. Platt displayed a picture of the area where the project will be built. He pointed out the residential towers adjacent to the project area and noted that these developments have been limited by the highway that cuts through the middle of the downtown area.

Chris Handzel, project manager with HNTB, noted that I-670 currently creates a divide between the central business district and crossroads district in downtown Kansas City and this project will help repair the divide between those two districts. He expressed hope that this project will take an infrastructure divide and create a regional amenity that becomes a destination for the downtown area.

Mr. Handzel reported a large portion of the infrastructure within this corridor is in need of repair and poses traffic safety concerns for pedestrians and vehicles at the interstate level as well as on the surface streets surrounding the area.

Mr. Handzel highlighted OJB Architecture, one of their partners and a national landscape architecture firm. The hope is that their design experience with these types of projects as well as lessons learned will be a benefit to the project.

Mr. Handzel shared their focus on three primary areas of the project. They are working on an Environmental Assessment with MODOT and hope to have that documentation completed by the end of the year. There have recently been two public meetings to obtain feedback from the community about what they would like to see out of this project. Lastly, they have been working on preliminary design documents. They are designing the project up to a 30% design level to help inform the cost estimates. Mr. Handzel stated the project cost estimate right now is around \$217,000,000. He noted a funding plan that includes a mix of sources and highlighted a current private fundraising campaign with a goal to raise \$90,000,000 for the project.

Tara Green with OJB Landscape Architecture introduced herself and spoke of their experience with deck parks across the country and specifically Klyde Warren Park. She also detailed the success that park has shown for the city of Dallas. Ms. Green displayed images of the design for the project. She highlighted the enhancement of additional green space, areas for a small community space, small business retail opportunities, a food hall, an event stage and pavilion, a prairie garden as well as an adventure playground area.

Brian Johnson introduced himself as the Managing Director of the Loews Kansas City Hotel. Mr. Johnson opened an 800-room convention center during the pandemic that is thriving post pandemic. He stated that Missouri is approaching 100% visitation recovery from the pandemic and he believes this project will be instrumental to driving new incremental business and visitation to Missouri and the Kansas City area.

Brian Connolly, Founder and Managing Principle of Victus Advisors, stated they were brought in to look at the economic and fiscal impact potential for this project. He stated they built a model looking at the impact on the state level and estimated about 110,000 incremental annual visitors driven primarily by activity at this property. Mr. Connolly stated Klyde Warren Park was used as an example of what the development impacts could be. Increases in property values and business attraction and retention were noted. Mr. Connolly explained Victus Advisors created a 30-year model for economic and fiscal impacts of new visitation to Missouri. This study showing \$195,500,000 in net new direct spending, \$379,200,000 in total economic output, 182 sustainable annual jobs, \$333,400,000 in associated labor income and \$116,100,000 in state tax collections.

Bill Dietrich introduced himself as the President of the Downtown Council of Kansas City. Mr. Dietrich explained the Downtown Council represents the private side of the funding for this project as well as some of the community facilitation of the process and stated he is proud to partner with the city of Kansas City as well as Port KC.

Mr. Dietrich displayed a chart on Ancillary Investment representing ongoing and future investment potential around the project location. He explained they are estimating between \$1.6 and \$2 billion in the first five years and an increase in property values around this district by about 56%.

John Moncke, President of the Power & Light District, spoke of the development perspective around the park. He stated the South Loop Park would make the city more walkable, which will in turn bring more visitation to the area. There has been a substantial amount of recent investment in the residential projects downtown, and their hope is that this park will help enhance those areas as well as the whole of the downtown.

Mr. Dietrich stated this park will be managed 24/7 by a non-profit 501(c)(3) conservancy that will work to promote the space as well as maintain it. He also highlighted that the park should eventually be a self-sustaining operation.

Jon Stephens, President and CEO of Port KC, thanked MDFB for the previous 25 years of support in the Kansas City area and consideration of this new project.

Chair Carmichael thanked the team for their presentation and invited the Board members to proceed with any questions.

Member Cranshaw questioned whether the baseball stadium coming to the downtown area is considered a benefit to the project. Mr. Dietrich explained that it would be additive. There has already been conversation with the Royals in order to try to work together to mutually support each other if the stadium comes downtown.

Treasurer Dameron offered his support of this project and the engagement they have had over time with the community. He asked for further explanation of the project's arrangement with MODOT. Mr. Vasquez explained that they do have an existing agreement with MODOT that states they are obligated to maintain the infrastructure that is built over the freeway and are solely responsible for everything over and above the deck.

Chair Carmichael questioned the sources of funding and inquired where the project is at in securing the listed \$60,000,000 in federal funds. Mr. Vasquez responded that they have two approaches to fulfill that financial need. One is competing for a grant, pursuing the Reconnecting Communities Grant through the Bridge Program. The second would be to pursue an infrastructure loan through the DOT's Transportation Infrastructure Finance and Innovation Act program (TIFIA). Mr. Platt went on to further explain they have also secured \$28,600,000 from the Federal Government through former senator Roy Blunt as well as another \$28,600,000 from the State of Missouri. He also stated there are several large private contributions and pending commitments. That, along with a potential \$20,000,000 grant from the local Sunderland Foundation, would put the project about \$15,000,000 short of the goal of \$135,000,000 to break ground in the spring.

Chair Carmichael inquired about the upkeep at the park and how that will be funded. Mr. Platt replied that it will be the city's obligation to maintain the park. There is also the potential to establish a Community Improvement District.

Chair Carmichael asked whether there were other mechanisms to allow the community to invest more into the project. Mr. Platt stated that they have been working closely with their local corporate partners in the area to provide public contributions. Those funds will come in at the end, as needed, to close any gaps necessary in total project funds.

Mr. Parry questioned the current state of the infrastructure at the site of the overpass and who would be responsible for those repairs moving forward. Mr. Handzel stated the infrastructure is nearing the end of its useful life and they are working with MODOT on how to address those issues. They will decide which portions are the responsibility of the city and which are the responsibility of MODOT. Mr. Parry asked if, given that the walls are going to require a significant amount of repair, is MODOT considering the money that the state's already put in to be part of that cost, or will MODOT acquire those expenses. Mr. Vasquez replied he did not think they could approach the conversation with MODOT in respect to the walls in the context of the \$28,600,000 that has been allocated to the state.

Both the city and MODOT view that contribution as the State's recognition that the project has statewide impact. If there is additional conversation to be had with MODOT in respect to the cost of the walls, they will have it, but with the expertise of the engineers, they need to be able to determine what those costs are, and if it is necessary to do so, will have further conversations with MODOT.

Vice Chair Buerck questioned whether the private funding would be used for the park infrastructure. Mr. Dietrich confirmed the private funding listed in the budget was designated for the physical infrastructure but can be used other places if necessary.

Jerry Riffel with Lathrop and Gage stated that the project would raise \$30,000,000 with the MDFB tax credit, but the hope is to raise \$50,000,000 and that some of the donors would return the funding received from the credits back to the project. The use of that money, and to answer to Mr. Buerck's question, will be determined by the sources and uses. It is going to go into basic infrastructure, since that is the private money being generated because of the tax credit.

Chair Carmichael requested clarification on the provided sources statement regarding the fundraising and private contributions. Mr. Vasquez responded that the important point to make with how the city is approaching the fundraising of the project is that the community in Kansas City is willing to step up in respect to this project. The \$30,000,000 listed to leverage the requested tax credits is not the only money that will be received. They anticipate that the community is willing to contribute more funding.

Mr. Martin with JE Dunn spoke of current pledges and also added that there are several other large family foundations that are contemplating major gifts once a certain threshold is reached. A goal has been set to raise \$75,000,000 within the next 12 months. With Kansas City hosting the upcoming FIFA World Cup, the business and philanthropic communities are committed to securing financing in order to start construction by this time next year.

Member Arjes questioned the amount listed for Net New Visitors and whether the facility was to be considered a driver of new business or an entertainer of current consumers in the area. Mr. Connolly replied that the projected amount of visitors is a conservative amount of suggested new visitors coming specifically to this facility, and there is expected to be a significantly larger number of visitors that attend while in the area for other purposes.

Director Chinn inquired whether it has been considered to develop the project in phases if the goal of \$217,000,000 is not acquired. Ms. Green explained that the infrastructure is the main focus and the design will be a direct response to the private contributions and will have the ability to be introduced in phases.

Director Hataway inquired about the cost breakdown for the Clyde Warren Park in Dallas. Ms. Green replied that there was \$112,000,000 total raised. Of that, \$55,000,000 was private, \$20,000,000 was from TxDOT, \$20,000,000 was bonds from the city of Dallas and \$17,000,000 was federal stimulus money.

Secretary Parry asked whether there were any important lessons learned from the other deck park projects. Ms. Green replied that the other projects had similarities and differences that provided different scenarios of how to build the infrastructure. The lessons learned were more on the operational side. Ms. Green stated they have been working closely with Mr. Dietrich and his team and are going into the project sharing that knowledge and are well prepared for how to activate and maintain a similar space.

Secretary Parry questioned whether Port KC was participating financially in the project and whether they would become involved financially at the end, if needed. Mr. Stephens replied that they are not currently participating financially. Given their other current financial commitments, they are not in a position to do upfront financial contributions, but they are continuing to support the project by working to accelerate support and funding through private partnerships.

Vice Chair Buerck asked about the proposed construction method. Mr. Vasquez responded that they are currently leaning towards a design-build method. The preference would be a Construction Manager at Risk method, but there are some limitations that are provided by federal funds that might preclude them from going that route. Mr. Vasquez recently spoke with MODOT about delivery method and traffic routing as Kansas City is currently investing a significant amount of dollars in rebuilding MODOT'S infrastructure on Buck O'Neil Bridge. The project would have to wait until that particular piece of infrastructure is completed before they can move forward with the work on I-670.

Director Chinn inquired as to what parking would be available for visitors. Ms. Green responded that there is no parking owned by the park itself but what they have experienced with similar projects in other communities is an increase in mass transit ridership, as well as an increase in revenue for surrounding parking garage and surface lot owners. Mr. Dietrich stated that for the regional and local guests, there are 47,000 people who live within two blocks of the KC Streetcar line. From a pedestrian perspective, 36,000 people live within a 5-minute walking circle of the public space. For the convention visitors from out of town, there are currently 45,000 parking stalls within a 10-minute walk of the project area. Mr. Riffel stated that there have been 15 priority projects identified that will benefit from the project that will include available parking.

Chair Carmichael thanked everyone for their presentation. She also highlighted that the Board does not have the statutory authority to approve a project of this amount asking Mr. Stombaugh or Mr. Creach to review the Board's authority.

VIII. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh provided updates on the project pipeline and informed the Board of a few anticipated tax credit presentations as well as upcoming initial authorizations for BUILD. There are also plans to bring some adjusted guidelines for the MIDOC program to the Board at the next meeting.

Mr. Stombaugh updated that staff have been working on an adjusted security approach for some of the garages and hope to bring that information to the Board in the near future. The Executive Committee met recently and discussed those details in depth.

Mr. Stombaugh introduced and welcomed MDFB's newest staff member, Austin Albert. He is the new Project Analyst and Asset Manager.

Mr. Stombaugh announced the October Board meeting and annual retreat for 2023 is cancelled and the date for the November meeting will be adjusted to an earlier date.

CLOSED SESSION

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

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

Nay: None

Absent: Holton and Kehoe

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

Upon completion of discussion with no action taken, Member Cranshaw made a motion to move the meeting back into open session. Secretary Parry 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 and Kehoe

Chair Carmichael declared the motion passed

OPEN SESSION

IX. Adjournment

There being no further business before the Board, Secretary Parry 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