

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

January 16, 2024

The Missouri Development Finance Board met in regular session on Tuesday, January 16, 2024, 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	Present *
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 WebEx.

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

Board Staff: Cheryl Kerr, Rebecca Teague, Charles Miller, Austin Albert and Chris Peters.

Board Counsel: Erick Creach participated via WebEx.

Others Present: Amy O'Brien, City of Mexico; Jessica Walker, Steadfast City; Anne Ekern, Ekern & Company; Martin Keller, Handi-Shop; Caroline Hobbs, citizen and capital campaign member. Trevor McDonagh, Stifel Public Finance participated via WebEx.

I. Secretary's Report Secretary Parry

Secretary Parry presented for approval the minutes from the December 19, 2023, meeting. The minutes were included in the Board materials distributed in advance of the meeting.

There being no questions, corrections or additions, Member Cranshaw made a motion to approve the minutes as presented. Vice Chair Buerck 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 Reports as of and for the four months ended October 31, 2023, and as of and for the five months ended November 30, 2023. The Treasurer's Report was included in the Board materials distributed in advance of the meeting.

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

By unanimous consent, Chair Carmichael declared the motion passed.

III. Department of Economic Development Acting Director Hataway

Acting Director Hataway reported that the Intern and Apprentice Recruitment Act that passed in 2023 with House Bill 417, began the first of the year and Missouri One Start has been actively putting together the program guidelines and working to educate potential businesses interested in those programs. Director Hataway stated that the Customized Training Grant received 291 applications, all of which were approved. She also noted that all of the Missouri One Start training funds for Fiscal Year 2024 have been obligated with \$14,400,000 awarded for companies of all sizes across the state. Director Hataway updated that it was recently approved for businesses to use part of their training awards for relocation reimbursement in order to recruit new employees from outside the state to their city.

Director Hataway provided a brief update on tourism and reported that the total economic impact for 2023 was \$19.9B and the state had 41,900,000 visitors in 2023. She also gave a brief update on mega projects, those with large acreage requirements and over \$1B of investment, reporting that there are currently seven in the project pipeline.

IV. Department of Agriculture

Director Chinn

Director Chinn highlighted that the Department of Agriculture recently received a \$6,900,000 Resilient Food Systems Infrastructure Grant from the U.S. Department of Agriculture (USDA). The Department of Agriculture held a public comment period to decide how to best use those funds and found that transportation and distribution were the biggest challenges. The information received was utilized to develop two grant programs. The Simplified Equipment-Only Grant funds can be used for equipment purchases only and projects must be completed by June 30, 2025. The Infrastructure Grant funds may be used for improvements, rearrangements, or alterations of an existing building or facility and projects must be completed by December 31, 2026.

She reported that the USDA has put guidelines in place restricting these grants to specialty crops, dairy grains for human consumption, aquaculture and other food products. Director Chinn also noted that the Department of Agriculture has partnered with the University of Missouri's, Missouri Agriculture, Food and Forestry Innovation Center (MAFFIC) to provide resources and technical assistance in filing those grant applications.

V. Department of Natural Resources

Director Buntin

Director Buntin provided an update on the infrastructure funding received by the Department of Natural Resources (DNR). He stated the legislature appropriated over \$400,000,000 to DNR's budget for wastewater, drinking water, stormwater, as well as lead service line identification. From those funds, there were 243 projects awarded and 122 of the community grant awards for those have been finalized.

Director Buntin reported that DNR was granted an increased allocation for wastewater and drinking water under the Federal Infrastructure Act and will receive approximately \$1.3B in additional funding for water infrastructure over the next five years.

The Department has issued a public notice to solicit project ideas to utilize a funding source under the Inflation Reduction Act, the Climate Pollution Reduction Grants program. Director Buntin reported that the grant is primarily targeted at reducing greenhouse gas emissions with a potential funding amount of \$500,000,000. If DNR chooses to submit an application, the deadline will be in March. He stated that the grant's key focuses under the energy efficiency title are industry transportation, electrical power generation, agriculture, commercial and residential.

Chair Carmichael asked who would be eligible to apply. Director Buntin clarified that the application is currently open to both public and private entities.

VI. Lt. Governor's Report

Lt. Governor Kehoe

This report was deferred.

VII. Old Business

- A. Shoppes at Sunset Hills CID – Authorizing Resolution Mark Stombaugh
– Conduit Bond Issue

Executive Director Stombaugh summarized the request from the Shoppes at Sunset Hills CID to issues bonds to finance the costs of approved improvements within the District. This application had previously been presented to the Board during the December 19, 2023, Board meeting. Mr. Stombaugh stated the bond proceeds will be loaned to the borrower pursuant to the Loan Agreement and will be utilized to finance a portion of the costs associated with the renovation and construction of a commercial center of approximately 90,000 square feet. He reported that the Board has been requested to issue bonds in an amount not to exceed \$5,400,000.

The bonds are special, limited obligations, payable solely from the sales tax as generated within that District with a term not to exceed 30 years in duration.

Staff recommends the adoption of the Authorizing Resolution for Bonds not to exceed \$5,400,000 for the Shoppes at Sunset Hills CID.

Member Cranshaw made a motion to approve the application as presented and adopt the following Authorizing Resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF SALES TAX REVENUE BONDS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$5,400,000, TO PROVIDE FUNDS TO BE LOANED TO THE SHOPPES AT SUNSET HILLS COMMUNITY IMPROVEMENT DISTRICT; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

Vice Chair Buerck seconded the motion. The following roll call vote was recorded.

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

Nay: None

Absent: Kehoe

Chair Carmichael declared the motion passed.

VIII. New Business

Presentation

Only: A. City of Mexico – Handi-Shop, Inc.
Tax Credit for Contribution Application

Austin Albert

Mr. Austin Albert introduced the Tax Credit Application from the City of Mexico requesting \$500,000 in tax credits to raise \$1,000,000 in contributions for the benefit of Handi-Shop, Inc. Handi-Shop, Inc. is a sheltered workshop that has been providing workforce training and employment opportunities to adults with developmental disabilities for over 50 years in Mexico, Missouri. Mr. Albert invited the team to begin the presentation.

Ms. Jessica Walker, with Steadfast City, thanked the Board for their time and introduced herself and the rest of the team in attendance. She shared that the Handi-Shop, Inc. is a Mexico, Missouri based nonprofit that is dedicated to providing meaningful employment opportunities for individuals with disabilities in a safe, supportive and productive environment. Ms. Walker invited Mr. Martin Keller and Ms. Caroline Hobbs to discuss the history and background of Handi-Shop, Inc.

Mr. Keller gave a brief background on the start of Handi-Shop, Inc. The business was opened in 1973 by two Mexico residents who had children with disabilities and were concerned about their next steps after school. Since then, the business has continued to grow and now currently employs 53 individuals with disabilities, some of whom have been employed for the entire 50 years.

Ms. Hobbs introduced herself and reported that her daughter has been employed with the Handi-Shop, Inc. for 9 years. Ms. Hobbs spoke of the countless ways the Handi-Shop, Inc. has been a blessing to her daughter and her family over the years.

Mr. Keller discussed the three existing community impacts and listed those as the recycling program, which is the only recycling program in the community and currently serves 66 local businesses; assembly partnerships, which allow employees to do light assembly work for local companies creating supportive and meaningful employment; and the Seconds To Go thrift store, which is the biggest revenue-producing venture and runs off of donations to provide affordable clothing and household items to the community at significantly discounted prices.

Ms. Walker highlighted the current challenges they are facing and explained that the existing recycling center is no longer safe or efficient for the program and the existing thrift shop operation has outgrown its building and has a significantly limited capacity to store large, more profitable items that have been donated. She also noted that the Handi-Shop, Inc. leadership has a strong desire to institute a vocational rehabilitation partnership with the local schools and the current arrangement does not offer the space necessary to accomplish this.

Ms. Walker explained that this development involves three different buildings overall. One being the construction of the recycling center, a nearly 20,000 square foot building; the second being the construction of the new Seconds To Go thrift store building, a building around 23,000 square feet; and the third being the renovation of the old Seconds To Go thrift store to utilize for the new Workforce Development Center.

Ms. Walker stated the project cost estimate right now is around \$7,500,000. She also detailed the sources of funding as being \$500,000 from the Missouri DED Neighborhood Assistance Program, \$1,370,000 in New Markets Tax Credit equity, \$1,000,000 from MDFB Contribution Proceeds and \$4,622,990 from Applicant Funds raised from their capital campaign. Ms. Walker also gave a brief summary of the project timeline and hopes for the project to be complete by the end of 2026.

Chair Carmichael questioned the amount listed for the capital campaign funds. Ms. Walker clarified that those funds will not be generated from the MDFB Contribution Proceeds and confirmed that \$1,200,000 has been pledged to date and a total of \$400,000 has already been received.

Chair Carmichael questioned the total project costs. Mr. Keller explained that three years prior they hired a general contractor, Septagon Construction Company, to come up with plans and an estimate for the renovations. He stated that they have also raised the total cost originally provided by 10% to account for inflation over the last three years.

Director Chinn showed her appreciation for their contribution to the community over the years and Chair Carmichael thanked the team for their presentation.

IX. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh thanked the Board for their flexibility with the current weather conditions and their efforts to attend the meeting.

Mr. Stombaugh announced there is potential to work with the Missouri Partnership team and have them give an informational presentation to the Board to give some insight into some of the current projects.

Mr. Stombaugh asked Mr. Albert to give a brief update on the progress with the elevator modernization at the Convention Center Hotel Garage and the security updates at both parking garages. Mr. Albert reported that the contractor hired has recently completed a site visit and provided an Existing Conditions Survey. Staff will meet with the contractor to discuss recommendations and next steps moving forward. Mr. Albert also reported that the garages have officially initiated their contract with the newly commissioned security company, Paladin Security Group, LLC.

Mr. Stombaugh invited Ms. Cheryl Kerr to provide a brief update on the MDFB staff office move. Ms. Kerr reported that MDFB is planning to move into the office building on Bolivar Street. She provided details about the location of the new office and shared the recent progress on the renovations. Staff expects renovations to be complete by the end of January and the current target date to be fully operational in the new space in March.

X. Adjournment

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

Secretary Parry