

**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

December 19, 2023

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

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: Erica Griffin, Cheryl Kerr, Rebecca Teague, Charles Miller, Austin Albert and Chris Peters

Board Counsel: Erick Creach

Others Present: Trevor McDonagh, Stifel Public Finance; Kurt Erickson, St. Louis Post-Dispatch; Ann Holliday, KC Downtown Council; Jerry Riffel, Lathrop; Adam Gresham, Lt. Governor's Office. Mario Vasquez, City of KCMO, Heath Clarkston, Clarkston Nelson LLC and Doug Drews participated via WebEx.

**I. Secretary's Report** Secretary Parry

Secretary Parry presented for approval the minutes from the November 06, 2023, meeting. The minutes were included in the Board materials distributed in advance of the meeting.

There being no questions, corrections or additions, Treasurer Dameron 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 three months ended September 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, Secretary Parry made a motion to approve the Treasurer's Report as presented. Member Arjes seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

**III. Department of Economic Development** Acting Director Hataway

Acting Director Hataway highlighted the upcoming Military Ball on December 30<sup>th</sup>.

Director Hataway reported the Department of Economic Development recently attended Appropriations Subcommittee hearings and stated this year they have begun earlier in hopes of getting a head start diving into the department's budgets and avoiding the usual time constraints.

Director Hataway noted the Film Tax Credit that was passed this year recently had the first movie production to utilize the Film Tax Credit complete filming in St. Louis.

Director Hataway provided an update on ARPA grants, including \$12,000,000 awarded to construct new cell phone towers. She also highlighted recent growth announcements in Moberly, with EquipmentShare, and another in Maryland Heights, with the expansion of Hoffman Brothers.

#### **IV. Department of Agriculture**

Director Chinn

Director Chinn reported that High Path Avian Influenza returned with three reported cases in Missouri.

Director Chinn updated that about 99.8% of the state of Missouri is currently in drought status and approximately 18 inches of rain is needed before April to get the soil moisture levels back to where they need to be for the farming community. Coming into winter, colder temperatures are another concern affecting hay supply.

Director Chinn announced that the Missouri State Fair Director, Mark Wolfe, will be retiring on December 31 and Jason Moore will be taking over on January 1.

Director Chinn reported the department recently attended Appropriations Subcommittee hearings and continues to work on black vulture mitigation.

Director Chinn shared progress on improvements to the Meat Science Lab at the University of Missouri as well as the Veterinary Medical Diagnostic Lab. The food animal veterinarian shortage continues to be a concern nationwide and the hope is that these improvements will help attract more students to become food animal veterinarians and remain in Missouri.

#### **V. Department of Natural Resources**

Director Buntin

Director Buntin updated on drought conditions and stated the entire state is in some degree of drought status with the likelihood of continuing that status into spring for the third year in a row. Director Buntin thanked the other agencies involved for working with the Department of Natural Resources to try and find other methods to mitigate these issues.

Director Buntin reported he recently attended, along with Governor Parson, a meeting with the Governors of the lower Missouri River states to discuss flooding impacts. The most recent focus has been on the Missouri River levels and the impacts on power generation as there are several power plants in Missouri and in the other states that rely upon water from the river for cooling. Having lower river levels in the winter with colder weather, water being more susceptible to freezing and ice dams can inhibit their ability to draw that cooling water. The department recently spoke with Ameren about strategies to help with those potential issues this winter.

#### **VI. Lt. Governor's Report**

Lt. Governor Kehoe

This report was deferred.

**VII. Old Business**

A. City of Kansas City – The South Loop Link  
– Tax Credit for Contribution Application

Mark Stombaugh

Executive Director Stombaugh presented to the Board the tax credit application from the City of Kansas City for the benefit of the South Loop Link. Mr. Stombaugh stated that the project was initially presented at the September 19, 2023, Board Meeting outlining plans to complete a four-acre park area that would be constructed in the airspace above Interstate 670. Staff have worked closely with the project team to work through some of the discussion items developed at that meeting. Mr. Stombaugh reported a modification to request the remaining allocation of \$5,000,000 for the calendar year in lieu of the \$15,000,000 that was previously requested. Staff recommends the approval of the \$5,000,000 in credits to raise \$10,000,000 in contributions.

Chair Carmichael highlighted the Resolution of Intent and the language that would allow approval of the requested tax credits as well as the ability of staff to work with the city as well as the Department of Economic Development to set benchmarks required for the funds to be disbursed. Chair Carmichael stated there is the possibility to mirror DED’s process and she is in favor of approving the request with benchmarks in place.

Treasurer Dameron questioned whether the project would be brought back to the board for approval of the benchmarks. Chair Carmichael stated that it would not be brought back to the Board, staff would be authorized to work to decide and approve the benchmarks. Secretary Parry requested that after these conditions are finalized that staff would provide those details to the Board. Mr. Stombaugh agreed and stated those details should be finalized within the normal tax credit agreement process and staff should be able to provide those details in 60-90 days.

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

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD  
MAKING CERTAIN FINDINGS 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.**

Member Parry 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.

B. City of Tipton – Tipton Community Center  
– Tax Credit Pilot Program Application

Mark Stombaugh

Executive Director Stombaugh presented for approval the Tax Credit Pilot Program Application from the City of Tipton for the benefit of the Tipton Community Center. The City of Tipton has identified and negotiated the purchase of an approximately four-acre property that includes a 5,800 sq. ft. building adjacent to the city park. Mr. Stombaugh stated the strategic location will not only enhance the city parks assets, but it will also give them space as a community that they do not currently have. He stated the enhanced value created from the Pilot Program will unlock some commitments from local resources to allow them to acquire the facility and will also support a community engagement process on future plans for the park.

Staff recommends approval of the project and further designating \$125,000 of the approved Pilot Program allocation for the city of Tipton to support their ability to raise \$250,000 in contributions.

Vice Chair Buerck made a motion to approve the project as presented and adopt the following Authorizing Resolution:

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD  
MAKING CERTAIN FINDINGS 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 Hataway seconded the motion. The following roll call vote was recorded.

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

Nay: None

Absent: Kehoe

Chair Carmichael declared the motion passed.

C. Professional Consulting Services Engagement Letter  
Williams Keepers, LLC

Mark Stombaugh

Executive Director Stombaugh presented to the Board the updated Engagement Letter from Williams Keepers. The transition in the Controller position created the opportunity to review internal processes and procedures with the support of the Treasurer, the Chair and the Executive Committee while soliciting the expertise of our independent auditor team at Williams Keepers. The Board previously envisioned a similar support structure in 2015 with the last changeover in the Controller position. In conversation with Williams Keepers, the decision was made to formalize and update the letter to clarify and clearly communicate the nature of additional professional consulting services that can be utilized. Mr. Stombaugh stated that having this support on an as needed basis will assist during the transition.

Member Arjes made a motion to approve the Executive Director executing the Engagement letter presented.

Treasurer Dameron 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. Shoppes at Sunset Hills CID  
Conduit Bond Issue – Introduction

Mark Stombaugh

Executive Director Stombaugh referenced the introduction memo included for the Board about the Shoppes at Sunset Hills Community Improvement District (CID) Conduit Bond Issue. Mr. Stombaugh stated the city approved the formation of the CID. The voters of the district approved the implementation of a one cent sales tax for a period of 40 years.

The project encompasses an approximately 90,000 square foot commercial redevelopment opportunity that is housing a Bass Pro Shop, together with a full-service restaurant on an outparcel. The improvements were completed and opened in May 2023. Mr. Stombaugh introduced Trevor McDonagh with Stifel Public Finance to share additional details about the proposed bond issuance.

Mr. McDonagh thanked the Board for their time. He stated that the CID mentioned by Mr. Stombaugh was originally created in 2021 for the purpose of financing a portion of the redevelopment costs related to the Shoppes at Sunset Hills Shopping Center. The district voted to approve the sales tax in 2022, beginning October 1, 2022. Per the district project agreement with the City of Sunset Hills the developer is eligible to be reimbursed from the sales tax for up to \$5,350,000 of eligible project costs. The sales tax is in place for 40 years or until all district debt or reimbursement obligations have been paid off.

Mr. McDonagh reported that the Bass Pro store opened in May 2023 in the entirety of the retail space, other than Longhorn Steakhouse, which is still open. The district project agreement allows for the developer and the district, with the approval of the city of Sunset Hills to issue bonds backed by the city sales tax, which will provide a lump sum reimbursement instead of collecting those reimbursements over the 40 years until that \$5,350,000 is recaptured. Stifel was approached by the developer at the onset to help analyze the district's funding capacity of that sales tax revenue, which is ultimately determined by the sales tax projections, the debt service coverage ratio on the bonds and the interest rates on the bonds.

The sales tax projections are provided by third party consultants PGAV who work across the state on special districts similar to this one. He stated the debt service coverage ratio and the bond interest rate are partially determined by the risks associated with the bonds as well as the overall bond market. Mr. McDonagh stated that since the project is complete and Bass Pro is open, the district has received several months of sales tax revenue from the Bass Pro store, and the developers have decided to proceed with a bond issuance. The bonds are expected to be structured as a super sinker which allows the bonds to be redeemed from available revenues as early as possible. He stated the goal is to maximize the proceeds of the bonds, subject to market conditions, and then pay off the bonds from the available revenues as quickly as possible.

Mr. McDonagh reported that the plan will include funding a debt service reserve fund with the proceeds of the bonds, which will be available to cover the interest that is due if there is ever a shortfall in sales tax revenue for any scenario.

Chair Carmichael thanked Mr. McDonagh for his introductory presentation.

**Review**

**Item: B.**

MIDOC Program Updates  
Proposed Applications & Guidelines for Review

Mark Stombaugh

Executive Director Stombaugh stated that in the beginning of 2023 the Board approved the transfer of resources within the Revolving Loan Fund to provide the MIDOC program additional resource. Staff is proposing to modify the program by creating three different categories of borrowers to align the guidelines to the targeted audience.

Mr. Stombaugh noted that the guideline updates will slightly change the Eligible Uses of Funds, Funding Limits and Loan Requirement categories.

Mr. Stombaugh gave a brief explanation of the three proposed categories of borrowers. The first category is Disaster Recovery, with the primary change of increasing the maximum loan amount from \$150,000 to \$500,000. The second category is the Small Borrower, with loans ranging from \$100,000 to \$1,000,000; a longer maturity opportunity of 5 to 20 years; an interest rate the lesser of 3% or the 10-year treasury; and an increased program fee, as it would require more staff time negotiating and structuring those loans. The third category is Large Borrower, with loans ranging from \$1,000,000 to \$3,000,000; a longer maturity opportunity of 3 to 20 years; an interest rate established at closing for the term generally equal to the 10-year treasury; and an increase of the program fee.

Mr. Stombaugh stated that the focus of these updates is to address a wider range of financing needs from communities and political subdivision, overall cost escalation and to simplify entry points and expand the scope to allow for greater participation and greater economic impact for communities. The same approval process would apply, and each application would come before the Board to provide the opportunity for guidance or questions.

Mr. Stombaugh highlighted some examples and uses, such as loans for a natural gas line extension and upgrade for industrial site development, industrial site acquisition, to provide a single source of funding for multiple needs as well as a possible bridge loan for special taxing districts.

Mr. Stombaugh welcomed Vice Chair Buerck to share some recent struggles in his community and discuss how these revised loan options could have offered a resolution. Director Hataway also shared an example of where a program like this could be beneficial, and Director Buntin agreed and stated that he would like to see electrical infrastructure added as well.

Chair Carmichael noted her support of the revisions to the program and stated that she would like the Board to contemplate and provide feedback on potential policies and parameters to be set for the updated program. Director Hataway stated that she believes there is a potential for the Board to allow a project to present and then build the parameters around each project.

Member Holton questioned whether the \$100,000 minimum is necessary. Mr. Stombaugh replied that there is potential to remove the minimum as the intent was to allow for more spending, not to limit it on the lower end of the spectrum.

Chair Carmichael questioned the amount of funds currently allocated for the MIDOC program and if there were possibilities to increase or provide additional funds if necessary. Director Buntin and Secretary Parry both expressed a concern that there may be a need to set size restrictions on community size to better serve the smaller communities as intended, or a focus on the small borrower as just one large borrower could potentially utilize all the funds for the program.

Chair Carmichael asked when the updated program guidelines were expected to launch. Mr. Stombaugh replied that depending on recommended revisions to the guidelines, staff expected to present updated guidelines to the Board by March.

Director Hataway stated that she would be willing to educate the local communities with regards to the program, if approved. Mr. Stombaugh thanked her and noted that part of the goal is to better broadcast the program so that any community can find the information and have sufficient information to determine whether the program is a good fit.

Member Cranshaw disconnected from the meeting.

## **IX. Executive Director's Report**

Mark Stombaugh

Executive Director Stombaugh highlighted the Tax Credit Status Report and noted that with the earlier approval of the Kansas City South Loop Link project, the Board has utilized the full \$10,000,000 allocation for the current calendar year.

Mr. Stombaugh welcomed the newest staff member Chris Peters to the team. He has been training with Ms. Griffin on the Controller position that she will be vacating at the end of the year. Mr. Stombaugh thanked Erica for her 9 years of service to MDFB and wished her well in her endeavors. He also updated that the Annual Comprehensive Financial Report will be ready in January.

Mr. Stombaugh reported that staff expects to bring progress updates for the garage elevator repairs and general operating summaries to the Board in January.

Stombaugh discussed potential opportunities for consideration regarding industrial site development. He shared the need and previous financial commitments from the state for these long-term growth efforts. The Board could likewise have opportunities to strategically invest resources for considerable impact in this area of economic development infrastructure.

## **X. 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.

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Secretary Parry