

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
DIRECTOR,
ECONOMIC DEVELOPMENT

CHRIS CHINN
DIRECTOR, AGRICULTURE

DRU BUNTIN
DIRECTOR,
NATURAL RESOURCES

MISSOURI DEVELOPMENT FINANCE BOARD

MEETING MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

Riverview Office Building
221 Bolivar Street, Suite 300
Jefferson City, Missouri

April 16, 2024

The Missouri Development Finance Board met in regular session on Tuesday, April 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	Absent
Jonas Arjes	Member	Present*
Jessica Craig	Member	Present*
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	Absent
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.

Others Present: Martin Keller, Handi-Shop, Inc.; Amy O'Brien, City of Mexico; Jessica Walker, Steadfast City; and Anne Ekern, Ekern & Company participated via WebEx on behalf of Handi-Shop, Inc.

I. Secretary's Report

Secretary Parry

Secretary Parry presented for approval the minutes from the February 20, 2024, 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. Member Arjes 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 seven months ended January 31, 2024, and as of and for the eight months ended February 29, 2024. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. Treasurer Dameron highlighted that the February report showed an increase in net position of approximately \$1,600,000.

There being no questions, corrections or additions, Director Hataway made a motion to approve the Treasurer's Report as presented. Vice Chair Buerck seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

III. Department of Economic Development

Director Hataway

Director Hataway provided an update on tourism and spoke of the recent solar eclipse. She noted that the Department of Tourism estimates the event brought around 150,000 people to the state of Missouri with 22 countries represented at the popular viewing site in Poplar Bluff, Missouri. Director Hataway also highlighted the recent MLS game held at Arrowhead Stadium. The Department of Tourism held a booth at the Sporting KC versus Miami game and attendance was greater than 72,000 people. Making it the third highest attendance for a single match in MLS history.

Director Hataway highlighted a couple project announcements. On March 5th Unilever announced their decision to bring an \$80,000,000 investment to their existing Jefferson City facility to expand production capacity. March 20th, Google announced a \$1B investment in Kansas City, for a new data center. The company has also donated \$100,000 to the North Kansas City school district to create a Google lab within the district.

IV. Department of Agriculture

Director Chinn

Director Chinn reported that in eight of the southern and midwestern states there have been recent developments of Highly Pathogenic Avian Influenza in dairy cattle. She stated that Influenza A is a very common illness in cattle. The animals are typically sick for seven to ten days and expected to fully recover. Any milk from sick cows will be dumped. No cases have been found within the state of Missouri, but the Department of Agriculture is still encouraging people to be very cautious when consuming raw milk.

Director Chinn provided an update on State Fair planning and announced that the open air arena at the State Fairgrounds will not be hosting events this year. The indoor events will still take place. This will allow for the beginning of construction for the new indoor arena that will be taking its place.

Director Chinn stated that the Department of Agriculture was recently notified of a reduction in funding due to the United States Department of Agriculture's recently implemented 5.2% employee pay increase. There is no longer enough in the department's budget to meet their obligations to the state of Missouri for their cooperative agreements.

V. Department of Natural Resources

Director Buntin

This report was deferred.

VI. Lt. Governor's Report

Lt. Governor Kehoe

Lt. Governor Kehoe updated that there are just over four weeks left in session and the budget is out of the House and the Senate Appropriations Committee is currently working through it.

Lt. Governor Kehoe announced that Buy Missouri Day is coming up on May 1st. Several Buy Missouri companies are invited to the Capital to showcase their companies. He stated that the Buy Missouri program has continued to grow and now includes over 620 companies and almost 18,000 employees.

Lt. Governor Kehoe highlighted the Women of Achievement Awards celebration in March for Women's History Month. There were 11 Women of Achievement Award recipients for 2024, including First Lady Teresa Parson.

Lt. Governor Kehoe mentioned the recent eclipse and congratulated Mr. Steven Foutes, Director of the Missouri Division of Tourism (DOT), on a job well done. He, along with DOT and the Department of Economic Development worked with the legislature to provide an appropriation opportunity for cities who wanted to have an eclipse event. The 2024 Eclipse Grant will help to cover eligible costs and expenses related to hosting 2024 total solar eclipse activities and events.

VII. Old Business

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

Mr. Albert presented to the Board the tax credit application from the City of Mexico for the benefit of the Handi-Shop, Inc. The project was initially presented at the January 16, 2024 Board Meeting. The application details the plans for the renovation of their Seconds To Go Thrift Store and recycling center, and the expansion of their Workforce Development Center. The city is requesting \$500,000 in tax credits to raise \$1,000,000 in contributions. Mr. Albert stated that the project has raised approximately \$1,460,000 in pledged funds.

Lt. Governor Kehoe and Chair Marie congratulated the project team and expressed their support of this project.

Staff recommends the approval of the \$500,000 in tax credits.

Lt. Governor Kehoe made a motion to approve the application 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**

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

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

Nay: None

Absent: Holton and Buntin

Chair Carmichael declared the motion passed.

- B. MIDOC Application and Guidelines Austin Albert
Program Adoption and Funding Recommendation

Mr. Albert presented for approval the proposed updates to the MIDOC Disaster Recovery and Infrastructure Loan programs and funding recommendations included in the Board materials. Mr. Albert stated that staff previously introduced some modifications to the MIDOC Disaster Recovery and Infrastructure Loan programs for review and comments.

These modifications included the creation of three categories of borrowers and edits to guidelines with expanded Eligible Uses of Funds, Funding Limits, and Loan Requirement categories, among others, in response to applicant and project needs. Staff incorporated the feedback from the Board in the framework presented for the MIDOC Disaster Recovery and Infrastructure Loan programs. The Disaster Recovery program participant requirements are largely the same. The proposed changes highlight an increase in the maximum loan amount from \$250,000 to \$500,000 upon the Board's discretion and the associated fee is now characterized as an application fee to support administrative costs of managing the program. The former Small Borrower and Large Borrower programs have been combined into one program, the Infrastructure Loan Program. He explained that the current proposed program will include loans ranging from \$100,000 to \$3,000,000 or more at the Board's discretion. The associated fee is now characterized as an application fee to support administrative costs of managing the program with an increase to \$2,500 for borrowers at or below \$1,000,000 and \$5,000 for borrowers above \$1,000,000.

Mr. Albert noted that the proposed MIDOC program modifications provide flexible and efficient financing options for participants to be more responsive to the changing economic development needs.

Chair Carmichael questioned whether all projects would still require approval from the Board. Mr. Albert confirmed that all potential loans would be brought to the Board for approval.

Chair Carmichael suggested exploring how to replenish the programs in the future with other potential sources beyond the Boards funds. Mr. Stombaugh referred to the MIDOC Fund Transfer Recommendation included under tab 5 and stated that the recommendation would be to supplement the MIDOC Fund by transferring \$1,750,000 from the Ninth Street Garage to bring the balance to a target amount of \$5,000,000. He noted that would be a one-time capitalization. The Executive Committee has been in communication about other potential sources of funding for the program in the future if demand warranted.

Secretary Parry inquired generally about the Boards lending tools and history. Staff and council outlined aspects of the organizations structure as a separate entity and underscored the flexibility the Board has to prioritize the resources available. Mr. Parry and the Members shared perspectives on the rate or return that can be achieved and how that growth assists in strengthening the organizations for the long term.

Vice Chair Buerck suggested an amendment to the MIDOC Disaster Recovery application criteria to remove the requirement for certain documentation to increase the responsiveness to the needs of the smaller communities and to note that all requirements are subject to staff and Board discretion.

Vice Chair Buerck proposed an amendment to the Form D – Certification of Applicant, to clarify that local purchasing policy and guidelines apply.

Staff recommends the approval of the updates to the MIDOC Disaster Recovery and Infrastructure Loan programs as amended in this discussion as well as the transfer of funds from the Ninth Street Garage of \$1,750,000 to the MIDOC program to provide additional capacity to deploy these slightly modified program structures.

Vice Chair Buerck made a motion to approve the MIDOC program application and guidelines as amended.

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

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

Nay: None

Absent: Holton and Buntin

Chair Carmichael declared the motion passed.

Lt. Governor Kehoe and Member Cranshaw disconnected from the meeting.

VIII. New Business

A. SSG Water Remediation Austin Albert

Mr. Albert referred to the summary memo and Woodard Cleaning and Restoration Scope and Estimate with Work Authorization included in the Board materials. He explained that in late 2023, staff were informed by the retail ownership that the sub-basement of the Seventh Street Parking Garage was flooded with 8-10 feet of water from the neighboring property connected below via utility easement. Staff has been in communication with the Board’s insurance provider for the garage. Mr. Albert reported that staff engaged several contractors and in working with Woodard Cleaning and Restoration, received initial feedback pointing towards remediations efforts likely below the cost of the insurance deductible. Woodard connected staff with a water testing Industrial Hygienist who deemed the water clean with no additional filtration requirements, which has greatly reduced costs. Woodard has constructed an estimate of a four-week scope of work at approximately \$94,000, to include safety mitigation due to past vandalism and concrete deterioration, pumping out the remaining water and removing leftover sediment and debris. Mr. Albert stated that staff is presenting a scope and estimate for the Board, to engage with Woodard to begin the process to address the water intrusion and the water remediation. This is an estimate of time and cost due to the unknown factors and complexity of the issue.

Chair Carmichael questioned whether Woodard could provide guidance on preventing the issue going forward and whether there is a possibility to install a sump pump to manage the water issues now, as well as any future flooding. Mr. Albert responded that there is currently industrial equipment in the space and due to previous flooding issues, those systems have since been decommissioned, which left the space without electricity and therefore no ability to utilize a sump pump at this point. He stated that the proposed plan would utilize a temporary pump to take care of the current situation and additional effort would be taken to find a solution to prevent future issues.

Treasurer Dameron suggested to raise the amount of the requested expenditures to \$100,000.

Chair Carmichael emphasized that she would like to expedite the process of finding a solution for the electricity issue in order to prevent future flooding as soon as possible. Mr. Albert and Mr. Stombaugh informed the Board that the electrical issues will need to be remedied by an alternative source and agreed to expediting that process. Staff will come back to the Board with further information on a solution when available.

Treasurer Dameron made a motion to approve the acceptance of Woodard Cleaning and Restoration's scope and estimate as well as the authorization of expenditures with the amended amount of up to \$100,000 for the contractor to remediate the existing water, debris and sediment:

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

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

Nay: None

Absent: Cranshaw, Holton, Kehoe, and Buntin

Chair Carmichael declared the motion passed.

B. Surplus Property Authorization

Mark Stombaugh

Executive Director Stombaugh presented for approval the Authorizing Resolution allowing the declaration of certain property surplus and asset list of items in the MDFB office. Mr. Stombaugh explained that during the office move, several items were found to be beyond their useful life and staff is requesting the items be declared surplus property. This authorization would allow for the sale or disposal of such items.

Staff recommends the adoption of the Resolution authorizing the sale and/or disposal of surplus property in the MDFB office.

Treasurer Dameron made a motion to adopt the following Authorizing Resolution:

RESOLUTION DECLARING CERTAIN PROPERTY SURPLUS AND AUTHORIZING THE SALE AND/OR DISPOSAL OF CERTAIN PROPERTY.

There being no questions, corrections or additions, Treasurer Dameron made a motion to approve the resolution as presented. Director Hataway seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

C. DED House Bill 7 Funding Agreement for FY2024 Mark Stombaugh

Executive Director Stombaugh introduced the Department of Economic Development (DED) House Bill 7 Funding Agreement for FY2024. Mr. Stombaugh explained that this was an amount of funds that was appropriated in last years budget for the current fiscal year. The funds were appropriated for an amphitheater project in Riverside. Both the department and MDFB staff have been working with the city of Riverside and their private partner, Live Nation. The specific language included outlines what the funding will be eligible for. Mr. Stombaugh specified that this agreement allows the department some framework to send the funds to MDFB as instructed in the legislation. Staff will continue to communicate with the City of Riverside to develop a separate Agreement that will be brought back to the Board for approval, at a later date. This agreement will outline the nature of the work anticipated, terms of the disbursements, and overall project timelines and milestones.

Chair Carmichael expressed concern for the accountability of MDFB in regard to the quarterly progress reports mentioned in section 3.8 of the funding agreement. Mr. Stombaugh stated that staff can certainly incorporate and propose changes in the agreement to clarify that the progress reports would be information provided by MDFB but will be certified by the project team and other responsible representatives.

Staff recommends the execution of the MOU Agreement with the Department of Economic Development as the framework for the appropriations transfer to MDFB.

Treasurer Dameron made a motion to approve the House Bill 7 Funding Agreement with the amendment to include the necessary changes in the language in section 3.8 of the Agreement, clarifying the liability of the quarterly progress reports:

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

Aye: Buerck, Dameron, Parry, Arjes, Craig, Chinn, and Chair Carmichael

Nay: None

Absent: Cranshaw, Holton, Kehoe, and Buntin

Abstention: Hataway

Treasurer Dameron left the meeting.

IX. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh provided an update on the project pipeline and noted that staff has continued to work with the City of Lee's Summit and based on their progress, expects to bring their Downtown Market Square project back to the Board for approval in the coming months.

Mr. Stombaugh thanked the Board for their approval and flexibility to allow the MDFB office move. He expressed his appreciation to staff for their time and effort in executing the move.

Mr. Stombaugh updated that the Executive Committee recently discussed garage budgets. Staff has been working with the garage operator discussing figures in reference to capital needs at the garages which will be incorporated in the applicable budgets.

Mr. Stombaugh reported that the recruitment process for the Finance Manager position remains ongoing and response rate has been positive. The interview process has begun with his goal of making a selection and extending an offer by the end of April.

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.

Secretary Parry