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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

June 18, 2024

The Missouri Development Finance Board met in regular session on Tuesday, June 18, 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	Absent
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	Absent
Mike Kehoe	Lieutenant Governor and Member	Absent
Michelle Hataway	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, Chris Peters and Katie Long.

Board Counsel: Erick Creach.

Others Present: Adam Gresham, Lt. Governor's Office; Jeffrey Snyder and Kelly Ast, Osage Prairie YMCA; Cindy Thomson, Vernon County Commission and Noe Gonzalez and Alexandra Balson, Steadfast City.

I. Secretary's Report

Secretary Parry

Secretary Parry presented for approval the minutes from the May 21, 2024, 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. 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 ten months ended April 30, 2024. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. Treasurer Dameron highlighted some unexpected expenses related to garage repairs as well as a year-to-date increase in net position of approximately \$1,800,000.

There being no questions, corrections or additions, Treasurer Dameron 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

Director Hataway

Director Hataway announced the Department of Economic Development (DED), along with Aaron Willard, Chief of Staff for Governor Parson and Subash Alias, CEO of Missouri Partnership, will be presenting to the Public Service Commission. The presentation will be focused on recent trends within economic development. She noted that one of the main trends is larger utility needs. In 2019, the average capacity for projects was 3.2 megawatts and in 2023 that average increased to 162 megawatts.

Director Hataway provided an update on the legislative session and reported that DED was awarded \$1.7B in federal dollars for broadband funding. She stated the \$1.7B also included funding for new full-time employees to help administer those funds.

Director Hataway stated that 45 bills were passed with 18 of those being appropriation bills. The department was awarded 51 additional line items totaling \$211,000,000 to administer next year. If the line items are not vetoed by the Governor, they will go into effect on August 28.

Director Hataway provided an update on broadband and stated DED is currently wrapping up the Broadband Equity, Access, and Deployment (BEAD) State Challenge Process which allows broadband companies to challenge whether the Missouri Broadband Availability Map accurately reflects the availability of broadband internet service at any location throughout the state. Over 5,500 challenges impacting 200,000 locations were received. DED team members worked through these challenges and have only 85,000 locations in the current rebuttal phase.

IV. Department of Agriculture

Director Chinn

Director Chinn reported that the Highly Pathogenic Avian Influenza H5N1 has now impacted 12 different U.S. states. Missouri has not yet seen any outbreaks. The U.S. Department of Agriculture (USDA) put an order in place requiring any lactating dairy cows traveling out of state to have a negative test seven days prior to movement. Missouri has tested approximately 20 samples of milk so far with all negative test results. There have been three cases of human exposure to H5N1, though the health risk to humans is very low. The U.S. Food and Drug Administration (FDA) has tested and found that the virus is not present in pasteurized milk. The virus has been found in raw milk, and the FDA and Centers for Disease Control and Prevention have issued appropriate warnings about exposure to raw milk.

Director Chinn highlighted the upcoming August 8-18 dates for the Missouri State Fair. She noted that some states are putting restrictions in place for any upcoming state fairs, implementing testing seven days prior to any lactating dairy cattle arriving for any exhibition contests. Missouri has not yet implemented these testing requirements but is considering the possibility.

Director Chinn stated the U.S. Environmental Protection Agency (EPA) is currently taking comments on over-the-top (OTT) dicamba registrations for products that were vacated by a judge earlier this year. They will also be taking comments from the manufacturers who have been producing OTT Dicamba products and have applied for new labels.

Director Chinn also noted that DOA was awarded \$6,900,000 from the federal government for a Resilient Food Systems Infrastructure (RFSI) Program to support food processing but was only granted spending authority for \$1,900,000 of those funds. Due to this lack of funds, there will be 130 grant applications that will not receive funding.

V. Department of Natural Resources

Director Buntin

This report was deferred.

VI. Lt. Governor's Report

Lt. Governor Kehoe

This report was deferred.

VII. New Business

A. Vernon County – Osage Prairie YMCA Tax Credit for Contribution Application

Austin Albert

Mr. Austin Albert introduced the Vernon County application for tax credits for the benefit of the Osage Prairie YMCA project. Mr. Albert summarized the application requesting \$1,000,000 in tax credits to assist in raising \$2,000,000 in contributions for their project. Mr. Albert reported that the expansion of the Osage Prairie YMCA campus will support a variety of new capabilities, continue to maintain a robust membership, as well as address a significant community need for childcare. The introductory memo details plans for construction of an 8,000 square foot childcare facility. This facility will provide new opportunity to support childcare for approximately 96 children, ages six weeks to five years old. This facility will provide care from 7:00 a.m. to 7:00 p.m. but will be designed to provide 24/7 care in the future.

Mr. Albert invited Noe Gonzalez to begin the presentation.

Mr. Gonzalez introduced himself as representing Steadfast City, the consulting firm working with the project team on their application for the benefit of Osage Prairie and Vernon County. He reported that Jeff Snyder, the Executive Director of Osage Prairie YMCA; Cindy Thompson, Vernon County Administrator and Kelly Ast, YMCA Board Member were all in attendance and available for questions.

Mr. Gonzalez provided a brief history of the Osage Prairie YMCA. The facility opened in 1996 with a small storefront. Due to the large demand within the community for these types of programs, they quickly found the facility size to be inadequate. Immediate and increasing demand necessitated the first of three capital campaigns and the construction of a 38,000 square foot facility on 10-acres, which opened in 2002. With demand growing every year, the company began their second capital campaign in 2004, adding a 7,000 square foot aquatic facility in 2009. Osage Prairie YMCA has impacted nearly 21,000 individuals through membership, and demand for these types of facilities and programs has continued to grow year after year, thus prompting the company to assume their third and current capital campaign.

Mr. Gonzalez reported on the existing community impacts of the facility. He stated that the Osage Prairie YMCA currently serves 1,700 member units (ranging from an individual, up to a 6-person family), with a total of approximately 3,000 individual members, as well as more than 50 children served yearly through after-school and summer programming. The facility currently supports 62 existing jobs, seven of which are full-time and 57 are classified as accessible, which makes those positions available to individuals with or without a high school diploma or General Education Diploma (GED). Mr. Gonzales stated that this year alone, there have been over 460 children involved in youth sports and 155 adults

engaged in organized sports. Through partnership with the State of Missouri and USDA, the facility also hosts a Summer Food Service Program, serving meals to 1,500 children weekly over the summer.

Mr. Gonzalez noted some challenges the Osage Prairie YMCA is currently facing. He stated that with the tremendous growth in demand for their existing services, membership and programming offerings are greatly limited by the existing facility's size. Another challenge within the community is the availability of quality and accessible jobs. He reported that this project brings the opportunity to increase the number of existing employees and add an additional 63 potential positions. Ten of those being full-time and the remainder being part-time, accessible positions. The last challenge noted was the lack of access to quality childcare. Mr. Gonzalez stated that in Vernon County the potential demand for licensed childcare is approximately 1,100 spots. He stated that currently there are only approximately 300 slots available to fill that demand, and they are hoping to help address that issue with this project.

Mr. Gonzalez provided a brief development overview for the project. He noted the construction of a new 8,000 square foot childcare wing, adding an additional 96 slots for childcare. Also included will be a new 21,000 square foot gymnasium and a 7,200 square foot airnasium. Mr. Gonzalez stated that these additions are speaking directly to the demand from the community and will provide the recreation space for pickleball, regulation size basketball and sand volleyball courts for Vernon County and the surrounding communities as well. Mr. Gonzalez added that there will also be the renovation of the current 38,000 square foot facility. The facility was constructed in 2002 and is in need of significant updates, including updated exercise equipment in the current health facilities. There are also plans for the addition of a rock wall, mini golf course and state of the art golf simulators.

Mr. Gonzalez discussed the anticipated community impacts and reported that the Osage Prairie YMCA completed a market research study in 2023. The study projected a potential 50% increase in membership, including almost 400 subsidized memberships for the low-income community; 100% growth in available youth sports spots and a 400% increase in adult sports participation rates; the creation of 96 licensed childcare spots and a 65% increase in childcare spots for afterschool and summer programming; and the creation of 63 new jobs including 53 accessible jobs available to individuals facing employment barriers.

Mr. Gonzalez detailed the funding sources for the project with approximately \$6,800,000 in total funding. This amount includes \$3,946,595 from their capital campaign, \$200,000 awarded through the Missouri DED Youth Opportunities Program (YOP) to leverage \$400,000 in contributions, an ARPA allocation from Vernon County of \$500,000; and the final piece of the funding from the requested \$1,000,000 in MDFB tax credits to leverage \$2,000,000 in contributions.

Mr. Gonzalez provided a brief project timeline, starting with a Design Planning and Feasibility Study that was completed in 2023. The Capital Campaign was initiated in early 2024; finalized drawings from the general contractor are expected around the end of 2024; project groundbreaking is expected in 2025; and an estimated project completion in 2026.

Member Arjes requested clarification of the term airnasium. Mr. Snyder, Executive Director of the Osage Prairie YMCA, explained that an airnasium is essentially an open-air gymnasium, similar to a lean-to. It would provide coverage to protect from the elements and allows the ability to utilize the outdoor space to provide the benefits of a gymnasium, at a fraction of the cost.

Mr. Adam Gresham inquired whether the team felt confident in the ability to fully staff the childcare facility. Mr. Snyder stated that the team member leading the hiring process is well suited and has experience in childcare and social work. Ms. Kelly Ast noted that with the local colleges offering Early Childhood Education programs as well as the Early Childhood Development offered to local high school students, they are confident in their ability to find adequate applicants presently interested in childcare employment opportunities. Mr. Gresham suggested the possibility of potentially offering childcare as an employee benefit. Mr. Snyder replied that this opportunity has been a topic of discussion and is a potential in the future.

Chair Carmichael noted that construction costs are continually increasing and questioned how the project team has assessed the proposed construction costs. Mr. Snyder and Mr. Gonzalez replied that the team has recently consulted with the architect as well as other local builders who are knowledgeable on similar project types. Given that these estimates were produced recently, they are confident in the estimated construction costs currently presented.

Chair Carmichael questioned whether the project team has received any prior interest from the community in utilizing the tax credits if awarded. Mr. Snyder explained that they have hired a 3rd party company to assist in the fundraising process.

Treasurer Dameron inquired about the endowment referenced in the application. Mr. Snyder explained that there is a current endowment devoted to assist the sustainability of the project and offsetting expenses after construction. The endowment is currently around \$250,000 with a goal of increasing that number to \$2,000,000.

Director Chinn, Mr. Gresham and Chair Carmichael expressed their appreciation of the project team for their efforts to assist in the critical need for childcare throughout the state.

B. MDFB FY 2025 Operating Budget

Chris Peters

Mr. Chris Peters presented the FY 2025 Operating Budget, as well as projections for fiscal years 2026 and 2027. Mr. Peters discussed Operating Revenues and highlighted Participation Fees. He shared expectations for Public Activity Bond Fees to be \$75,000 for the year. Contributions received for the benefit of tax credit projects are anticipated at \$13,000,000 with corresponding fee income around \$500,000. For the BUILD Missouri category, Mr. Peters noted that this line item would be in anticipation of receiving fees from two new projects as well as the ongoing revenue from those bonds outstanding.

Mr. Peters discussed the Interest Income on Loans and Notes Receivable and noted an increase, mainly attributable to an increase in interest rates. He noted the total Parking Garage Revenues of \$33,000 and the Total Operating Revenues to be approximately \$7,500,000 over FY 2025.

Mr. Peters discussed Operating Expenses and reported a slight increase in Personnel Services due to the addition of staff members in FY 2024. He highlighted the Office Expenses and noted that this number includes an overlap in the office space lease at the previous MDFB office location. This lease ends on September 30, 2024. He highlighted the Parking Garage Professional Fees and reported that this number is anticipating certain professional service costs to perform appraisals for the three parking garages. Mr. Peters highlighted Travel Expenses and noted a 3% increase from the FY 2024 Budget. Mr. Peters discussed Parking Garage Operating expenses and noted a significant increase from the FY 2024 Budget due to security upgrades at the parking garages.

Mr. Peters discussed the Non-Operating Revenue (Expense) category and reported an increase in the Interest on Cash and Investments. He reported that due to a decrease in bond principle for FY 2025, a decrease in the Parking Garage/Bond Loan Interest Expense and the Parking Garage Bond/Loan Expense is anticipated.

The total Change in Net Position for FY 2025 is projected at \$1,400,000.

Mr. Peters discussed the Simple Cash Flow category and noted a decrease of \$310,000 in the Bond Principal Payments. He also reported a decrease in the Capital Expenses from the FY 2024 budget due to completion of the MDFB office move. Mr. Peters highlighted the Parking Garage Capital Expenses and reported an increase due to necessary improvements at the three garages. He also noted that the Principal Payments Received amount is contingent upon the potential of a loan maturing in FY 2025.

Staff recommended approval of the FY25 Operating Budget as presented.

Director Hataway made a motion to adopt the FY25 Operating Budget as presented. Member Arjes seconded the motion. The following roll call vote was recorded.

Aye: Dameron, Parry, Holton, Arjes, Hataway, Chinn, and Chair Carmichael

Nay: None

Absent: Buerck, Cranshaw, Craig, Kehoe, and Buntin

Chair Carmichael declared the motion passed.

Member Cranshaw disconnected from the meeting.

VIII. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh provided an update on the project pipeline and noted the potential for two additional Tax Credit for Contribution applications in the fall, as well as two potential Conduit Bond applications.

Mr. Stombaugh informed the Board of potential plans to visit the garages in person and explore in additional detail the financial performance of each garage at the upcoming Board retreat.

Mr. Stombaugh announced that the July Board meeting is currently tentative, with the potential for a virtual meeting or a cancellation.

Mr. Stombaugh welcomed the new Finance Programs and Human Resource Manager, Katie Long, to the team and expressed appreciation to all staff for their hard work.

IX. Adjournment

There being no further business before the Board, Secretary Parry 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