

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

August 20, 2024

The Missouri Development Finance Board met in regular session on Tuesday, August 20, 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 | Absent |
| Michelle Hataway | Director, Dept. of Economic Development and Member | Present |
| Chris Chinn | Director, Dept. of Agriculture and Member | Absent |
| 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*, Chris Peters and Katie Long.

Board Counsel: Erick Creach.

Others Present: Adam Gresham, Lt. Governor's Office; Bill Dietrich, KC Downtown Council; Mario Vasquez, City of Kansas City; Jerry Riffel, Lathrop GPM.

I. Secretary’s Report Secretary Parry

Secretary Parry presented for approval the minutes from the June 18, 2024, 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

This report was deferred.

III. Department of Economic Development Director Hataway

Director Hataway highlighted the recent Quaker Windows ribbon cutting ceremony, commencing the third phase of their expansion in Eldon, Mo. This \$30,000,000 investment will bring an additional 200 jobs, raising their local employment to over 700 employees. She shared statistics about the percentage of free and reduced lunch recipients within the Eldon School District. Prior to the initial project 65% of the students qualified. Since Quaker Windows became operational in 2020, that number has been reduced to 45%.

Director Hataway provided an update on trends within economic development projects. She noted that investment numbers have significantly increased while project numbers have been declining, likely contributable to the current tight labor market.

Director Hataway announced the Department of Economic Development (DED) has been working on the Missouri Comprehensive Economic Development Strategy (CEDS). This strategic plan aims drive federal funding into local communities, improve programs and policies, and promote bold economic development ideas. DED is currently hosting regional meetings across the state to get perspective from local partners, local communities, and local economic developers.

IV. Department of Agriculture Director Chinn

This report was deferred.

V. Department of Natural Resources Director Buntin

Director Buntin highlighted the recent Missouri State Fair and reported a positive turnout. The Department of Natural Resources (DNR) entertained approximately 20,000 visitors throughout the event.

Director Buntin announced the DNR has been diligently engaged in implementing over \$220,000,000 worth of capital improvement projects within the State Parks system.

Director Buntin provided an update on the state's current drought conditions and stated DNR is planning to endorse the expiration of the existing state executive order, which is set to expire on September 1.

VI. Lt. Governor's Report

Lt. Governor Kehoe

This report was deferred.

VII. New Business

A. KC South Loop Project
Tax Credit for Contribution Application

Mark Stombaugh

Executive Director Stombaugh reported that in December of 2023, the Board approved a \$5,000,000 tax credit allocation to the City of Kansas City, to raise \$10,000,000 in contributions. Staff has been working closely with the team to finalize the Tax Credit Agreement detailing the roles, responsibilities, and process for distributing contributions received by the Board. The purpose of today's update is to allow the project team to share their current progress and potential timelines for achieving the cap and park improvements going forward, with the Board.

Mr. Stombaugh noted that an essential detail is the project team's commitment to the completing the four-block tunnel with a deck and park over top of the interstate. As overall planning has commenced, the budget has been modified to fit timelines and fundraising goals. Since the Board approved the project in 2023, the State of Missouri has appropriated an additional \$15,000,000 to assist the project, bringing the state contribution to approximately \$48,500,000. He noted that the project team will be sharing feedback from their federal funding partners and how they propose obtaining the rest of their necessary resources.

Mr. Stombaugh invited the project team to begin the presentation.

Bill Dietrich with the KC Downtown Council began by introducing the project team in attendance, which included Mario Vasquez, Assistant City Manager for the City of Kansas City, Jerry Riffel with Lathrop GPM; and not in attendance, Richard Martin with JE Dunn and Ann Holliday with KC Downtown Council. Mr. Dietrich provided a brief introduction and stated that the project is a partnership between the City of Kansas City, Port KC, and the KC Downtown Council. He noted that an Agreement (use agreement) is currently being finalized outlining the funding, ownership, and responsibilities of each party.

Mr. Dietrich shared an image displaying a layout of the proposed plans for the project and pointed out the current surrounding landmarks in the area. He stated that the location of this project is a potential corrective measure for the urban blight that was created when the construction of I670 in the area created a divide between the Crossroads Arts District and the Central Business District of Kansas City.

Mr. Dietrich reported that the project is currently at a 30% design level, with ample room for modification and the potential to coincide with community input. He reiterated that plans for this park are being modeled after several successful parks nationally and noted that the design team working on this project, HNTB and the Office of James Burnett (OJB), also worked on the design of the Gene Leahy Mall in Omaha Nebraska and Klyde Warren Park in Dallas, Texas. Mr. Dietrich noted that due to their previous experience with these successful parks, the team is able to provide ample expertise regarding operations planning. He stated that the project is considered a program park and will have the ability to program 365 days a year. The park will be owned by the City of Kansas City and the programming and maintenance will be managed by a 501(c)(3) conservancy.

Mario Vasquez provided an update on funding and highlighted the States commitment to the project of \$48,500,000. He reported that the City of Kansas City has also allocated \$10,000,000 for the project and noted that the project team is pursuing a loan through the United States Department of Transportation for \$65,000,000. This loan will be supported by revenue provided by Kansas City's Convention and Tourism Tax which will bring the cities total investment to the project to \$75,000,000.

Mr. Vasquez stated that the project team has been in communication with MODOT and have identified several necessary improvements that will need to take place before the project can move forward with constructions. He stated they have confirmed that the pavement, storm sewer facilities, and walls adjoining the tunnel underneath I670 will have to be replaced. The project team is also working to secure an air rights agreement with MODOT to allow them to utilize the space above the freeway for non-transportation purposes.

Mr. Vasquez reported that an Independent Cost Estimator has been obtained. The project design is 60% underway and the team is planning to release an RFP for a Construction Manager in late August- early September. He announced that in compliance with the National Environmental Policy Act (NEPA) the project is planning to hold a NEPA Public Meeting in the fall of 2024. Also scheduled for the fall of 2024, is a Naming Announcement for the park.

Mr. Vasquez provided an update on the current project timeline stating the team plans to execute the development agreement and air rights agreement in Q3 2024; early procurement activities, execution of the use agreement and the establishment of a public art policy are scheduled for Q4 2024; the Beginning of early works construction, employment of an Executive Director and expansion of the Downtown Council Community Development (DTC CD) Board is scheduled for Q1 2025; the complete construction of the deck and tunnel is scheduled to be completed by Q1 2026.

Mr. Vasquez reported that at the initial presentation to the Board in December 2023, the cost estimate was approximately \$217,000,000. With the current funding sources in place, the team has currently secured approximately \$174,000,000. Mr. Vasquez reported that this number is short of that estimated cost projection and stated that this amount is sufficient to ensuring the completion of the deck and tunnel. The team is confident in their ability to raise the sufficient funds to complete the rest of the enhancements following the initial infrastructure completion. The project team has plans to pursue other credible opportunities for funding.

Treasurer Dameron asked for clarification on the timeline for the Department of Transportation loan. Mr. Vasquez replied that the project team recently received a letter of eligibility and plans to complete that piece of funding by December of 2024.

Mr. Dietrich noted that the team has currently secured over \$4,000,000 in commitments towards the MDFB tax credits that are in the process of being issued and discussed a large pool of donors for the remaining \$1,000,000. The team plans to have all credits issued by December 30, 2024. He discussed the current donors for the private campaign and noted a committed donor amount of approximately \$22,500,000 with a goal of \$50,000,000.

Chair Carmichael thanked the team for their update.

B. Gateway Region YMCA Authorizing Resolution
Revenue Bonds

Mark Stombaugh

Executive Director Stombaugh introduced the Authorizing Resolution for Revenue Bonds in support of the Gateway Region YMCA. He summarized that the borrower is requesting the Board issue revenue bonds to support finance costs of their facilities and improvements at the Chesterfield Family YMCA, and other capital expenditures approved by their organization. The bonds are special, limited obligations of the Board, payable solely from proceeds and pledged revenues of the applicant. This is a conduit bond issue, and the Board will not have any repayment obligations. The requested total bond amount is not to exceed \$6,500,000, with a bond term not to exceed 30 years.

Mr. Stombaugh noted that financing is being completed as a private placement with a purchaser currently in place. The Board has previously facilitated separate financings for the Greater St. Louis YMCA, and the Vernon County YMCA. Staff believes the organization’s history and the financial due diligence of the purchaser provide the adequate security necessary for the Board to support facilitating the requested financing.

Staff recommended the adoption of the Authorizing Resolution for bonds not to exceed \$6,500,000 and execution of the related bond documents.

Member Craig made a motion to approve the application as presented and adopt the following Authorizing Resolution.

RESOLUTION AUTHORIZING THE ISSUANCE OF RECREATIONAL FACILITIES REVENUE BONDS (GATEWAY REGION YMCA), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,500,000, TO PROVIDE FUNDS TO BE LOANED TO GATEWAY REGION YOUNG MEN’S CHRISTIAN ASSOCIATION, AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Director Buntin 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: Holton, Kehoe, Chinn

Chair Carmichael declared the motion passed.

C. HB 7 Riverside Funding Agreement Katie Long

Ms. Katie Long introduced the House Bill No. 7 Riverside Funding Agreement. In May of 2023, House Bill No. 7 appropriated funds to DED for a project in Riverside. She noted that the Senate bill designated the Board’s Infrastructure Development Fund to oversee a \$20,000,000 appropriation to the City of Riverside. During the April 2024 Board meeting, the House Bill 7 Funding agreement with DED was approved and the funding was received in May of 2024. Staff has worked with the City of Riverside to develop a Funding Agreement accepted by all parties and detailing reporting requirements, disbursement terms, as well as MDFB administration fees. Staff recommended approval of the Funding Agreement with the City of Riverside as presented.

Vice Chair Buerck made a motion to approve the Riverside Funding Agreement as presented. Treasurer Dameron seconded the motion. The following roll call vote was recorded.

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

Nay: None

Absent: Holton, Kehoe, Chinn

Abstention: Hataway

Chair Carmichael declared the motion passed.

VIII. Old Business

A. SSG Water Remediation Proposal Austin Albert

Executive Director Stombaugh introduced the Woodard Cleaning and Restoration Phase II Estimate and Project Summary. In April of 2024, it was approved by the Board to work with Woodard Cleaning and Restoration to mitigate flooding in the sub-basement of the Seventh Street Garage (SSG). The immediate flooding concerns were alleviated by May 9th. Woodard then engaged electrical and plumbing sub-contractors to review potential permanent solutions to prevent future flooding issues. The solution was determined to be the necessary installation of an industrial sump pump. After exploratory efforts were conducted, the existing utility infrastructure was found to be insufficient and will require the installation of new electrical and plumbing utilities.

Mr. Stombaugh reported that staff has been in communication with the City of St. Louis's Planning Department to confirm that the necessary permits are obtained and does not envision any challenges.

Mr. Stombaugh stated that the attached proposal outlines the estimate for the necessary plumbing and electrical work as well as the overall general contractor construction cost for the sump pump installation, for a total estimated cost of \$182,617.53.

Vice Chair Buerck inquired whether an alarm system would be included in the construction of the sump pump. Mr. Stombaugh replied that there will be an alarm system fail-safe including an electrical box that will be installed in a common area maintenance and utility space, accessible to staff at any time.

There being no further questions, Member Arjes made a motion to approve the acceptance of Woodard Cleaning and Restoration's Phase II estimate and Project Summary as well the authorization of expenditures up to \$182,617.53. Member Craig seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

B. Lease Amendment SMI (NSG) Mark Stombaugh

Mr. Stombaugh reported that during the construction of the Ninth St. Parking Garage, a retail anchor was announced with MDFB entering into a lease agreement with Schnucks Markets, Inc (SMI), in November of 2008. SMI has occupied the space since its inception in 2008. The Board last addressed the lease in October of 2019, when SMI exercised their first of up to six consecutive five year renewals. The upcoming renewal period would take effect June of 2025. The tenant reached out in advance of the upcoming renewal to discuss desired flexibility to terminate the lease at each annual increment. Mr. Stombaugh noted that the tenants expressed concerns in terms of store performance and overall security and vibrancy in the downtown area which are consistent with experiences across MDFB's assets and largely reported in the downtown submarket.

Mr. Stombaugh reported that the proposed amendments to the lease would include a five-year window beginning June 2025 and allow early termination, provided a minimum of four months' notice of any annual termination is provided.

Mr. Stombaugh stated that the availability of this downtown grocer is a vital asset to the community and the potential revitalization of the downtown area, as well as a loyal tenant that contributes to the financial performance of the garage.

There being no questions, corrections or additions, Treasurer Dameron made a motion to approve the lease amendment as presented. Vice Chair Buerck seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

C. Surplus of Board Vehicle Katie Long

Ms. Long noted that the Board approved the purchase of a new Board vehicle in the Fiscal Year 2025 Budget, to replace the current vehicle which was purchased in 2008. Staff plans to purchase the new vehicle using the State's process for purchasing automobiles and utilizing the Statewide Motor Vehicles – Qualified Vendor List. The current vehicle is not a part of the State's Fleet Management System. Therefore, MDFB is not able to utilize the State's typical surplus procedure to dispose of the vehicle. In order to purchase the vehicle using the State's process, MDFB will have to surplus the vehicle in a separate transaction.

Staff is requesting the Board authorize the Executive Director to surplus the 2008 Board vehicle in such manner as the Executive Director deems appropriate.

There being no questions, corrections or additions, Director Hataway made a motion to the surplus of the Board vehicle. Member Arjes seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

D. New Bank Account Authorization Mark Stombaugh

Mr. Stombaugh stated that staff is requesting authority to establish a new bank account with the Boards current banking services provider, Central Bank. He explained that the new bank account would be set up for the St. Louis Convention Center Hotel Garage. Currently, the taxing districts that receive sales tax revenue collects in the regular checking account. Separating these funds would be beneficial to streamline administrative functions for staff.

There being no questions, corrections or additions, Member Craig made a motion to the new bank account authorization. Vice Chair Buerck seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

Member Cranshaw disconnected from the meeting.

CLOSED SESSION

Treasurer Dameron made a motion to go into closed session pursuant to RSMo. Section 610.021 (1). Vice Chair Buerck seconded the motion. The following roll call vote was recorded to go into closed session:

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

Nay: None

Absent: Cranshaw, Holton, Kehoe, Chinn

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

Upon completion of the discussion, Member Arjes made a motion to move the meeting back into open session. Director Hataway seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Cranshaw, Holton, Kehoe, Chinn

Chair Carmichael declared the motion passed.

OPEN SESSION

IX. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh provided an update on the project pipeline and noted plans to bring the Vernon County YMCA back to the Board for approval in September. He also noted a few potential new Tax Credit for Contribution applications from the St. Louis region. There is potential for these new projects to present in October, at the 2024 Board Retreat. Mr. Stombaugh announced the 2024 Board Retreat has been scheduled for October 13-15, in St. Louis. Staff is finalizing plans to host the retreat at the Chase Park Plaza.

Mr. Stombaugh highlighted the upcoming Governor's Conference on Economic Development, scheduled for September 4-6. He noted that MDFB has historically sponsored this event and invited all interested members of the Board to attend the luncheon on Friday, September 6.

X. Adjournment

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

Secretary Parry