

CHAIR:
MARIE J. CARMICHAEL

MEMBERS:
BRADLEY G. GREGORY
JOHN E. MEHNER
MATTHEW L. DAMERON
DAN E. CRANSHAW
JOHN M. PARRY
BRENT T. BUERCK
RICK HOLTON JR.

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ (1954-2021)
KIMBERLY MARTIN, ACTING



EX-OFFICIO MEMBERS:
MIKE KEHOE
LIEUTENANT GOVERNOR

MAGGIE KOST
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

NOVEMBER 16, 2021

The Missouri Development Finance Board met in regular session on Tuesday, November 16, 2021, beginning at 10:30 a.m. The meeting was conducted in person. 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
Bradley G. Gregory	Vice Chairman and Member	Present*
John E. Mehner	Treasurer and Member	Present
Matthew L. Dameron	Secretary and Member	Present
Dan Cranshaw	Member	Present*
John Parry	Member	Present
Brent Buerck	Member	Present
Rick Holton, Jr.	Member	Present*
Mike Kehoe	Lieutenant Governor and Member	Present*
Maggie Kost	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*
Kimberly Martin	Acting Executive Director and Assistant Secretary	Present

**participated via telephone*

Note: Member Holton and Director Buntin joined via telephone after roll call and before the American Foods Group – BUILD Application Resolution of Intent presentation.

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

Board Staff: Kathleen Barney, Erica Griffin, Ryan Vermette and Nicole Slusser

Board Counsel: Erick Creach

Others Present: Adam Gresham, Lieutenant Governor's Office; Hannah Humphrey, Deputy Director of DNR; Mark Stombaugh, DED; Subash Alias, Cathleen Flournoy, Janelle Higgins and Cara Weber, Missouri Partnership; Kerrie Tyndall, City of Kansas City; Michelle Lawrence, KVC Foundation; Lindsey Stephenson, KVC Missouri; Jim Rathke and Jennifer Dibbern, American Foods Group; Rudy Watkins, Wes Bowen and Geraint Powell, Harvest Group LLC; Joe Gildehaus, Warren County; Steve Etcher, MarksNelson; and Steve Johnson, Aliance STL

The agenda was rearranged as follows.

I. Secretary's Report Secretary Dameron

Secretary Dameron presented for approval the minutes from the October 19, 2021, meeting. The minutes were included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Member Buerck made a motion to approve the minutes as presented. Treasure Mehner seconded the motion. The following roll call vote was recorded:

Aye: Gregory, Mehner, Dameron, Cranshaw, Parry, Buerck, Kehoe, Kost, Chinn and Carmichael.

Nay: None

Absent: Holton and Buntin

Chair Carmichael declared the motion passed.

II. Treasurer's Report Treasurer Mehner

A. Treasurer Mehner presented for approval the Treasurer's Report as of and for the three months ended September 30, 2021. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Secretary Dameron made a motion to approve the Treasurer's Report as presented. Member Parry seconded the motion. The following roll call vote was recorded:

Aye: Gregory, Mehner, Dameron, Cranshaw, Parry, Buerck, Kehoe, Kost, Chinn and Carmichael.

Nay: None

Absent: Holton and Buntin

Chair Carmichael declared the motion passed.

III. Department of Economic Development Report Acting Director Kost

Acting Director Kost stated that the Department is gearing up for the legislative and budget session. One of their top priorities for next year is Broadband development. They have been building up a larger staff team to prepare for the Broadband project they expect to launch in July of next year.

Acting Director Kost stated that the Department is also looking at water and wastewater capital improvements across the state. They are also working on other transformational projects that will have significant impact for community development, which will help tourism and other industries that have been affected by the pandemic.

IV. Department of Agriculture Report

Director Chinn

Director Chinn started her report with sharing that the Missouri State Fair was very successful this year and attendance was comparable to what it was in 2019. Staffing was a challenge as it has been for several different industries, but even with the staffing shortage, the Department did a great job of making the State Fair a great success.

Director Chinn shared that the Department is now focusing on the Governor's Conference on Agriculture. The Department is prepared and expecting more than 400 in attendance. They are looking forward to a successful legislative session and hopeful the Department's budget is approved.

Director Chinn in closing shared that she looks forward to continuing with outreach, across the state, through the work that the Department is doing.

V. Department of Natural Resources Report

Director Buntin

Hannah Humphrey, Deputy Director, reported on behalf of Director Buntin. She started her report with sharing that the Department has been working with DED on putting together proposals for water and wastewater grants through the American Recovery Plan funds.

Deputy Director Humphrey shared that the Department has been tracking the Federal infrastructure bill that was just signed. This bill will make a difference in the Department's funding because it will not only increase federal funding offered through the State Revolving Fund loan programs, but will substantially increase the amount of funds that may be passed through the programs as grant. Along with funding for water and wastewater that was discussed previously, this will add funding for energy resources. They are currently reviewing the bill to learn all the requirements and understand the amount of funding that will be available.

VI. Lieutenant Governor's Report

Lt. Governor Kehoe

Lt. Governor Kehoe started his report with sharing that they had a very successful Governor's Conference on Tourism. Tourism has rebounded quite nicely since Covid, with one exception and that is the Convention and Visitors piece of tourism, so they are working on bringing in large groups for conventions and meetings.

Lt. Governor Kehoe spoke of the close of 'Buy Missouri' week. They visited Missouri companies throughout the week and saw that the visits to the website went up during that time also. They were allotted some extra funds to promote the Buy Missouri website and it really helped with promoting the program.

Lt. Governor Kehoe wanted to share about some of his Veteran's Day visits. He had the opportunity to visit the St. Louis Veterans Home. He also had the opportunity to

recognize a 76 year old Vietnam veteran and two veterans who serve with the Jefferson City CASA.

Lt. Governor Kehoe also got to visit Four Brothers Mead, in Festus. This is a Buy Missouri Company that is also owned by veterans. They make honey wine and have an incredibly inspiring story.

Lt. Governor Kehoe in closing shared that the Governor's Conference on Agriculture would be this week. Many of our businesses across the state are agriculturally based and are working to add value and continue the great agriculture heritage of Missouri.

VII. New Business

A. American Foods Acquisition Co., LLC – BUILD Bond Program – Resolution of Intent Kimberly Martin

Ms. Martin introduced the American Foods Acquisition Co., LLC project; it is a request for \$15,069,800 in BUILD Bonds.

Ms. Martin gave the floor to Cathleen Flournoy with Missouri Partnership and Jim Rathke with American Foods Group.

Ms. Flournoy stated that this was a project that began last spring, it has been a great collaboration and is a much needed facility in the State.

Mr. Rathke introduced himself and explained how he has overseen the operations of the company for the last nine years. The company was started in 1946 by brothers and is still a family owned business. The company started by hauling hogs to a packing plant and then hauling chemicals, they now have two divisions, which are the Animal Protein division and Ag Chemical business. The company has experience great growth in the packing industry, starting with the purchase of a pork plant that they converted into a beef plant and the purchasing of several more facilities.

American Foods Group is number five in the nation of beef processing plants. They ship 4.5 million pounds of beef a day. They are a Midwest based and privately run company. They currently employ 4,300 people with \$3.8 billion in sales annually. They have an international presence in over 38 different countries. They lead in the Kosher and Halal business. They are very committed to food safety.

Mr. Rathke spoke about how American Foods Group believes in finding and providing opportunities. Their vision is to champion meaningful contributions to support their employees and the global food system. Their mission is to work together as a family to provide safe, wholesome product to people around the world. American Foods Group is a very family driven, family orientated and very relationship driven type of company. That was one of the driving forces that brought them to Warren County. They felt the fabric and DNA of the community really matched up very well with who they are and what they are all about.

Mr. Rathke noted that they have four locations that are similar to the one they want to build in Warren County. Those locations are: Long Prairie, MN; Gibbon, NE; Yankton, SD and Green Bay, WI. The Warren County facility will be modeled

very closely after the Green Bay, WI plant. Their Green Bay facility is located in the middle of the community. It shows that a facility like theirs can be in harmony with a community and can be an additive and not subtractive to the area.

Mr. Rathke spoke about what a positive it would be for them to operate in Missouri and how much the state has to offer to their operation. Missouri has several cattle operations and smaller farmer/ranchers, which fits perfectly with how they operate their facilities. The Warren County site stood out above other sites they had looked at with what it offers with workforce availability and so much more.

Mr. Rathke shared how this was a long process. They have worked over 2 years on it and looked at 8 different states, many different locations and Warren County came out on top.

American Foods Group is looking to construct a 500,000 sq ft facility, costing roughly \$450 million. When it is fully functional, they expect to create approximately 1,300 jobs. These kind of plants run forever, it is an extremely solid business even when the economy shifts.

Director Chinn shared that she had the opportunity to visit their Green Bay, WI facility. She was impressed by how it was surrounded by several homes and had no smell. The Department of Agriculture is excited to have them come to Missouri. It has been a long time since Missouri agriculture, especially the beef industry, has had the opportunity to add value to our farms and ranches.

Director Chinn closed with how community focused American Foods Group is and feels that they will be a great addition to Missouri.

Chair Carmichael added that she was pleased when reading the economic impact analysis listed a return of \$14.7 million over 15 years. She also noticed their projected wages are higher than the county average wage, which are all good things.

Director Kost just wanted to echo everything that has already been stated. Director Kost feels this is an impressive project, with creating 1,300 jobs and over \$14 million in investment. She also had the opportunity to tour the Green Bay, WI facility and commented on the care shown to the employees of the company.

Joe Gildehaus the Presiding Warren County Commissioner wanted to share that getting this project is like winning the lottery for their county and Missouri.

Lt. Governor Kehoe wanted to bring to everyone's attention as was mentioned in the presentation that American Foods Group were considering eight other states for this project. Lt. Governor Kehoe wanted to thank everyone who rolled their sleeves up and worked on this project. He also wanted to echo Director Chinn's sentiments that this kind of project will grow our agriculture economy.

Director Buntin expressed his appreciation for the great coordination and open communication about permitting that he has had with this company. He was very encouraged and excited to hear about American Foods Group's vision. Director Buntin feels this project will be a great asset to the State.

Subash Alias with Missouri Partnership wanted to add to Lt. Governor Kehoe's remarks about the collaboration. With the multiple departments working together it has been a phenomenal experience. This is the largest project that the Missouri Partnership has in their pipeline.

Staff is recommending approval of this Resolution of Intent.

Member Parry made a motion to approve the application as presented and adopt the Resolution of Intent for American Foods Acquisition Co., not to exceed \$15,069,800.

RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD PRELIMINARILY APPROVING A PROJECT FOR AMERICAN FOODS ACQUISITION CO., LLC, AND DETERMINING THE INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$15,069,800 TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.

Lt. Governor Kehoe seconded the motion. The following roll call vote was recorded:

- Aye: Gregory, Mehner, Dameron, Cranshaw, Parry, Buerck, Holton, Kehoe, Kost, Chinn, Buntin and Carmichael.
- Nay: None
- Absent: None

Chair Carmichael declared the motion passed.

Lt. Governor Kehoe and Director Buntin disconnected from the meeting for another commitment.

**B. City of Kansas City – Niles Children's Home - Kimberly Martin
Tax Credit for Contribution Application**

Ms. Martin stated that City of Kansas City for the benefit of the Niles Children's Home is requesting \$250,000 in tax credits to raise \$500,000 in contributions to assist with a project that totals just over \$1 million.

Ms. Martin informed the Board that Niles Children's Home is a 501c3 agency that provides a residential treatment program for children with behavioral healthcare challenges and is located in Kansas City, Missouri.

Kerrie Tyndall with the City of Kansas City started the presentation with speaking about how impactful and important this project is to their economic development strategy moving forward.

Ms. Tyndall stated that this organization has been around since 1883. This project includes a construction rehabilitation of their facility, to provide for expanded inpatient and outpatient facilities. It would be a total investment of \$1,047,000.

The project is expected to create 25 new jobs with an average wage of \$50,000 per year.

This project is located at 1911 E 23rd Street in Kansas City.

Lindsey Stephenson with KVC Missouri shared about their project and program expansion plans. KVC health systems acquired the 137-year-old Niles' Children's Home in 2017. They continue to provide residential treatment care for children with behavioral and mental health needs. Their facility has 28 beds and are usually always full. They also have an on-site prep school that serves community children who come in.

Ms. Stephenson spoke about the intensive family services as one of the programs they are looking at expanding. They are growing the program to be more community based. It also helps children that have been living at Niles to help transition back into home life and provide services to the family. They hope to expand this service to provide for 50 to 75 children in the next year.

Residential services cost roughly around \$8,000 to \$10,000 per month. Intensive family services cost roughly around \$3,000 to \$4,000 depending on the needs of the child and needs of the family.

Ms. Stephenson shared about their other program, treatment foster care. Which is something that is being worked on across the state of Missouri. Treatment foster care is a foster care placement for children with higher mental health needs. Treatment foster parents require more training and are part of the treatment team for the child. They also work the birth family to help stabilize their home life. They are hoping to serve 50 to 75 children within the first year. The cost for this program can run from \$1,500 to \$3,000 per child.

They do accept referrals from any county in Missouri and work with Missouri Family Services.

Ms. Stephenson shared a story about a child name Zay. She met him in 2016, he had been in several different homes during his time in foster care. She worked really hard with his team to find him a treatment foster care home because he really needed a home. Zay was worried he would never find a home and never have a family. Through coordination, they were able to find him a home. He was in that home for 4 years, has graduated from high school and is now enrolled in college. She is so happy they found him a family because he deserved it.

Michelle Lawrence with KVC Foundation spoke about how they help children between the ages of 6 to 18 years old at Niles Home for Children. Their mission is to really help children grow up in homes with families.

Ms. Lawrence spoke about the plans to rehabilitate the facility, including the removal of an old shed and playground to create a safer area for the children. There is a sewer issue that needs to be addressed and dorm updates that need to be addressed including the addition of two new bedrooms and roof and electrical repairs. They also want to build a new accessible playground, have new fitness stations for the older children and replace the old peeling gym floor. They were

able to some upgrades a few years back when they merged with KVC Healthcare, but are still in need of more.

Ms. Lawrence has helped raise around \$400,000 which leaves over \$600,000 they need to raise for the project. They are asking for these tax credits to help cross the finish line on this project.

Ms. Tyndall closed up the presentation by sharing that Kansas City has a Community Health Improvement Plan. This project really aligns well with this plan. They have a goal to increase utilization of services for mental health needs. This is an important anchor institution in this community, so they want to make sure it is a stable and quality facility. The City has made significant investments in the surrounding area as part of a larger redevelopment effort.

Member Parry was curious about the relationship between KVC and how it ties to Niles Home for Children. Ms. Lawrence answered the KVC started in Kansas and provided mostly behavioral health through the years, they have a hospital and step down psychiatric care unit, which is similar to Niles. When Niles was struggling KVC helped with consulting and became sister campuses. They have helped with the continuum of care and fundraising. The tax credit request will benefit Niles Home for Children specifically and not KVC also.

Director Chinn asked what their plans were to accommodate the children they have on their waiting list. Ms. Stephenson stated they are working on getting clinical services into the homes of the children, getting them the services they need and connecting them with other community providers until they can get them into the facility.

Adam Gresham with the Lt. Governor's Office asked if the Family First Prevention Service Act (FFPSA) has affected them. Ms. Stephenson answered that it is a federal act intended to infuse money into prevention to decrease the number of children in residential care and move them into lower levels of care. It is family centered and prevention focused. It won't impact the services the Niles Home for Children is offering in their residential services because they will still have the option to provide those services under their psychiatric care unit.

Member Gregory added that he has seen programs kind of like this and what a tremendous service it is and it is a much needed program for our youth.

Chair Carmichael asked with the new federal law if there was a chance for more resources for what they do. Ms. Stephenson answered that there may be, but the state is still sorting through all that to figure everything out.

Treasurer Mehner asked for a quick rundown on why they needed these tax credits. Ms. Lawrence answered they do a great job of seeking out grants or contract work that will sustain most of their operations. Historically they have relied on donations for capital improvements and with the tax credits they can attract new donors. It may appear that they have a large revenue, but they also have large expenses and they are very mindful of how they spend their money.

Chair Carmichael added that she felt the timing of this project is perfect given that Covid has put additional stress on families and children. This is a much needed

service. She was impressed with their long history and feels that gives the Board a sense of security that the Niles Home for Children knows what they are doing.

This was a preliminary presentation only for questions and discussion with no Board action recommended at this time.

VIII. Old Business

A. Plumrose USA Inc. (Moberly) - BUILD Application Final Authorizing Resolution

Kimberly Martin

Ms. Martin presented the Plumrose USA Inc, BUILD Application Final Authorizing Resolution. The Board adopted a preliminary resolution on February 18, 2020. The project consists of the construction of a new production plant in Moberly, MO.

All financing terms remain as originally presented. They are on track to create 190 new jobs over the next 3 years and make an investment of approximately \$69 million.

Secretary Dameron made a motion to approve the Plumrose USA Inc. BUILD Application Final Authorizing Resolution.

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (PLUMROSE USA., INC. PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,038,600 FOR THE PURPOSE OF PROVIDING COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF PLUMROSE USA., INC.; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH ISSUANCE OF SAID BONDS.

Treasurer Mehner seconded the motion. The following roll call vote was recorded:

Aye: Gregory, Mehner, Dameron, Cranshaw, Parry, Buerck, Holton, Kost, Chinn and Carmichael.

Nay: None

Absent: Lt. Governor Kehoe and Buntin

Chair Carmichael declared the motion passed.

IX. New Business (cont'd)

C. Tax Credit for Contribution Program Proposed Revised Evaluation Criteria

Kimberly Martin

Ms. Martin shared that during the discussion of the Tax Credit for Contribution program at last month's Board Retreat, the Board expressed its desire to provide only that funding which is considered critical or essential, to discourage

applications proposing multi-phased projects and to take into account the location of the project when reviewing the impact and financial support of the local government.

Ms. Martin noted in response to that discussion, staff has proposed revisions to the Tax Credit for Contribution evaluation criteria. The proposed changes are highlighted on the following page of the board packet and are intended to reflect the desires expressed at the Board Retreat.

Ms. Martin added that these proposed revisions are being presented for discussion only, with the intention of finalizing prior to the December meeting so that they may be presented for approval prior to the 2022 application cycle.

Chair Carmichael added that the highlighted notes are the changes that staff and Board have made based on conversations from the Board Retreat. The Board wanted to better define where the tax credit dollars go. She mentioned that Treasurer Mehner came forward with the suggestion of a Critical Funding Test that is better defined than the current But For criteria. She would like to see this money help lift projects off the ground and prevent having repeat projects.

Chair Carmichael shared that she would like to make the Board's funds as impactful as possible.

Ms. Martin gave a quick overview of changes. The first change was to add location into the consideration of Local Government Financial Participation. We realize some smaller communities have less resources when compared to larger communities and that there may be certain types of projects that local governments can't provide direct support for.

Ms. Martin added the Critical Funding Test was added in place of the But For Test along with an expansion of that definition.

Ms. Martin pointed out that the additions at the end of the page were an attempt to acknowledge the multi-phase, multi-year application process and the Boards desire to discourage them in most instances. Chair Carmichael noted that these changes are intended to help the Board better utilize these credits and seek projects that are truly in need of assistance.

Chair Carmichael added that this is just a discussion item and will be voted on at a later date. If anyone had any questions or changes they would like to see made to notify Chair Carmichael or Ms. Martin.

D. Bond Fees
Proposed Revisions to Bond Fee Collection

Kimberly Martin
Kathleen Barney

Ms. Martin stated that during the Bond Programs presentation at last month's Board Retreat, staff was directed to provide revisions to the procedure for the collection of issuance fees by the Board. Bond issuance fees were last discussed in the Executive Director's report at the October 2014 Board meeting.

At that time, the cap, or maximum fee, definition was clarified as being applicable to a single issue or multiple series of bonds, notes or other obligations issued for a discrete project. Based on the discussion at the retreat, staff recommends that the Board consider removing the “discrete project” application of the fee collection and begin collecting issuance fees on each single issue or multiple series under a single issue, regardless of prior fee collection. Staff is not recommending a change to the bond fee amounts or to the cap applicable to a single issue or multiple series under a single issue.

Ms. Martin shared that they have compiled a list of bonds issued with no fee, or reduced fee, applied since 2014, that list is included for reference.

Ms. Barney added that each issuance would pay the applicable fee, along with refunding or new issues.

Ms. Barney also added that this proposed change was the original Board policy in 2006, but was changed in 2014. The current revision would be a return to the 2006 policy.

Ms. Martin added that this is just a discussion item and will be voted on at a later date. If anyone had any questions or changes they would like to see made to notify Ms. Martin. Staff intends to bring this back for approval during the December meeting.

Secretary Dameron suggested adding language to say that the Board reserves the right to waive a fee in the event we see a project that would warrant it.

X. Executive Director’s Report

Kimberly Martin

Ms. Martin wanted to give an update on the technology discussion that was had at the retreat. ITSD has indicated that DED is reviewing the use of Sharepoint, we will follow along with this until we know if it is a viable option for us. Staff is also working on TV and Audio updates in the board room, she stated that they have a meeting scheduled with ITSD in the upcoming week to discuss options for cameras and additional equipment in the board room. Hopefully they can begin to make improvements within the next couple months. Ms. Martin also added that she has requested a quote for website improvements and expects to work with ITSD on those updates as well.

Ms. Martin shared that if you looked in the back of your Board book there was an article on Refuge and Restoration and another on the Kansas City Museum which the Board has been involved with.

CLOSED SESSION

Member Buerck made a motion to go into closed session to discuss personnel matters as authorized by Section 610.021 (13) RSMo. Member Parry seconded the motion. The following roll call vote was recorded to go into closed session:

Aye: Gregory, Mehner, Dameron, Cranshaw, Parry, Buerck, Kost, Chinn, Buntin and Carmichael.

Nay: None

Absent: Lt. Governor Kehoe and Buntin

Chair Carmichael declared the motion passed.

The Board entered closed session and a discussion was held concerning personnel matters.

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

Aye: Gregory, Mehner, Dameron, Cranshaw, Parry, Buerck, Kost, Chinn, Buntin and Carmichael.

Nay: None

Absent: Lt. Governor Kehoe and Holton

Chair Carmichael declared the motion passed and moved the meeting into open session.

OPEN SESSION

XI. Adjournment

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

[Secretary Dameron Signature]