

DRAFT MEETING MINUTES
MISSOURI DEVELOPMENT FINANCE BOARD

Governor Office Building
200 Madison Street, Room 1010
Jefferson City, Missouri

JULY 19, 2022

The Missouri Development Finance Board met in regular session on Tuesday, July 19, 2022, 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
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	Absent
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
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: Kathleen Barney, Erica Griffin, Kimberly Martin

Board Counsel: Erick Creach

Others Present: Adam Gresham, Lieutenant Governor's Office; Kerrie Tyndall, City of Kansas City, Dave Frantze and Judd Treeman, Stinson LLP; Mukul Sharma, on behalf of KC Current; John Stephens, Port KC. Reagan Holliday, Hilltop Securities joined via WebEx.

I. Secretary's Report

Secretary Dameron

Secretary Dameron presented for approval the minutes from the May 17, 2022 meeting. The minutes were included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Member Parry made a motion to approve the minutes as presented. Member Buerck seconded the motion.

By unanimous consent, Chair Carmicheal declared the motion passed.

II. Treasurer's Report

Treasurer Mehner

Treasurer Mehner presented for approval the Treasurer's Report as of and for the Eleven months ended May 31, 2022 and ten months ended April 30, 2022. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Member Parry made a motion to approve the Treasurer's Report as presented. Secretary Dameron seconded the motion.

By unanimous consent, Chair Carmicheal declared the motion passed.

III. Department of Economic Development

Director Kost

Acting Director Kost discussed the Governor's upcoming Trade Mission to Germany and the Netherlands. The team traveling with the Governor will be having discussions with existing businesses as well as looking at possible business attraction opportunities.

The states ARPA programs are preparing for launch. Draft guidelines are being developed and public feedback is being collected on four programs currently, the Broadband and Workforce Development programs have completed the public feedback process and will be open as soon as the state's IT team has built the framework to accept applications.

Acting Director Kost mentioned that the Department faired well during the legislative session with several of their priorities being included in the Governor's budget.

IV. Department of Agriculture

Director Chin

Director Chin discussed the Departments preparation for the Missouri State Fair which will run from August 11th through the 21st. She indicated that the Department of Agriculture also faired well in the budget this year, with funding to construct a new arena at the State Fairgrounds and to purchase an additional 200 acres in order to expand the Fairgrounds. The planned expansion has garnered a lot of attention to the State, particularly from the Missouri horse industry as there is currently not a location in the state for large horse shows to be held. These shows are currently being held in other states.

Director Chin referenced the Food and Beverage study that they have been working on with the Lt. Governor's office. Work is continuing on that study, with all the Universities and Community Colleges being included to find ways to add value to food processing in Missouri.

Director Chin mentioned that the State is currently experiencing drought conditions in many areas, some farmers are taking advantage of the high cattle prices as a result. This is not an ideal situation as we are the number three beef cattle state in the nation but we understand that it is a necessary step for many of the farmers to make it through the winter. The Department of Agriculture is working closely with the Department of Natural Resources to explore assistance opportunities for those producers impacted by the drought.

V. Department of Natural Resources

Director Buntin

Director Buntin commented that the Department's ARPA funded Water Infrastructure grant program just closed, receiving exactly 1,000 applications requesting more than \$2.5 billion in assistance. The program has \$410 million available. The next few months will be spent evaluating the applications and determining priorities.

Director Buntin also discussed how the State is being impacted by the drought. He mentioned that 3,400 wells and grazing systems for agriculture have been added since 2012 thanks to the Parks and Soils tax which is proving beneficial to many producers during this time. The Department is discussing other opportunities for assistance with the Governor as the drought continues. One very important aspect of being able to provide assistance is having an accurate drought map, Director Buntin encouraged everyone impacted by the drought to go to the Department's web page to update their status as it is used to trigger Federal resources.

VI. Lieutenant Governor's Report

Lt. Governor Kehoe

Lt. Governor Kehoe provided an update on what his office is doing, including discussing the impacts of the recent budget on his office and on the Veteran community. His team is currently traveling the State presenting Senior awards to eleven citizens across the state.

Lt. Governor Kehoe also commented on the state of the tourism industry and the excitement due to the recent announcement of the World Cup coming to Kansas City in 2026. He discussed some of the estimated impacts of the World Cup and opportunities for the State that will result from it. Overall the tourism industry continues to be coming back, with the convention industry recovering the slowest. With the rising cost of fuel, there is a focus on staycations to encourage travel within our state and from the surrounding states as many are trying to travel shorter distances.

VII. New Business

- A. City Of Kansas City – Berkley Riverfront/KC Current Tax Credit for Contribution Application Mark Stombaugh

Executive Director Stombaugh welcomed the guests in attendance who would walk through a detailed introduction on the riverfront project.

The comprehensive application each of the Members received showcases an exciting redevelopment opportunity and long term partnership between the City of Kansas City and The Port Authority in Kansas City.

The project would involve the construction of a new 11,500 purpose built facility, and necessary public infrastructure, by the Kansas City National Women’s Soccer League Franchise, the KC Current.

The facility is projected to cost \$118,000,000. The applicant is requesting a \$6,000,000 tax credit allocation coupled with the \$12,000,000 in contribution proceeds to facilitate this anchor project in the riverfront redevelopment.

Kerrie Tyndall, Dave Frantze, Jon Stephens and Mukul Sharma all came forward to give a presentation about the application request. The team outlined the plans for the redevelopment of the Berkley Riverfront area and the plans for the construction of the first purpose built womens soccer facility in the US. Port KC currently owns the site which was originally transferred from the City. As part of the Port’s commitment to the project, they have agreed to lease the project site to the project user, KC WFC LLC, for \$1.00 per year for a term of 50 years. The teams owners, Angie and Chris Long and Brittany Mahomes, are responsible for all other soures of funding needed to complete the project, including private equity investments, contribution proceeds and loan approvals.

The presentation team also discussed the history of the Berkley Riverfront and its importance to the City of Kansas City. The proposed facility has been designed to catapult the redevelopment effort of the Riverfront and serve as an attraction venue year round, hosting a variety of events outside of the soccer season. They anticipate significant growth to the 500,000 current visitors to the park annually as well attracting additional hotel and retail opportunities. Proposed revenues from a Port Improvement District (PID) will be used to further develop the infrastructure in the area and for the extension of the Streetcar. The presentation included details of previous investments in the area by the City, the role this project played in the bid for the World Cup and the financing structure being proposed for the project as well as the need for the requested tax credit allocation.

Chair Carmichael thanked the team for their thorough presentation. Chair Carmichael was very excited about the project and opportunity it created within the broader redevelopment. She mentioned her interest and support for this leading investment in women’s athletics.

Chair Carmichael summarized her expectations of staff and diligent work that needs to be taken on behalf of the board to understand how we have addressed these opportunities in the past to allow for consistent administration and support across the state. She reflected on her review of the application and overall size of the ask in relation to the annual allocation for the program. Chair Carmichael also sought to confirm that there would not be any local tax abatement or redirection of those new revenues to support the project. Ms. Tyndall confirmed, on behalf of the City, that their historical investments, local sales tax exemptions, and the land value represented the local commitment made for this project to succeed.

Member Parry asked about the private financing structure laid out for the facility, confirming that the lead mortgage holders lien position would then be on the improvements, the stadium itself. Mr. Sharma confirmed that their recourse would be with the leasehold interest of the franchise ownership group on the improvements and other committed revenue streams as agreed to between the lender and ownership group.

Acting Director Kost asked about the connection with the FIFA World Cup needs highlighted throughout the presentation. She inquired whether FIFA had committed to needing and utilizing this facility in 2026 for training and practice purposes? Ms. Kost also wondered the scope of, and status, of any additional support that would be sought for the broader improvements related to the World Cup.

Collectively, the local team indicated that the Host Committee was still working through specific needs and wasn't able to confirm any use or future requested state support for the event in 2026. Ms. Tyndall noted that the City's bid packet for FIFA did not include an anticipated request for support from the Board.

Member Buerck inquired about the level of related infrastructure investments highlighted by the team. Mr. Stephens talked through those investments ranging from remediation to connectivity and trail improvements necessary to bring people to the riverfront. The City also committed significant matching resources for the completion of the Kit Bond Bridge.

Secretary Dameron also shared his excitement for the project. He confirmed with the group that the redevelopment as a whole would still be able to continue to utilize and seek local capital improvement dollars for follow-on investments and the success of the whole redevelopment area.

Lt. Governor Kehoe commented on the integral nature of this project with the successful bid for the World Cup. Governor Kehoe represented the state on the committee and continues to work with the Sports Commission and broader community to ensure the State of Missouri sends the right message and shows well on the world stage. He underscored the tourism and economic impact figures broadly attributed to the World Cup.

Lt. Governor Kehoe also praised the impact of the redevelopment on the community and region of Kansas City. He reiterated his excitement for the project and suggested this would be an opportunity for the Board to stretch the resources for an even broader effect.

Lt. Governor Kehoe disconnected from the meeting. Director Kost left the meeting.

B. St. Louis Zoo – Revenue Bond Application Kathleen Barney
Resolution of Intent

Ms. Barney noted that the legal name of the Borrower is the Zoological Subdistrict of the Metropolitan Zoological Park and Museum District of the City of St. Louis and County of St. Louis and that it is a political subdivision of the State. The St. Louis Zoo is requesting that the Board issue bonds to finance and refinance capital costs in St. Louis City and St. Louis County. St. Louis City and County have a property tax levy to support the St. Louis Zoo. In 2019 St. Louis County passed a 1/8 cent sales tax to support the Zoo.

The Zoo’s main campus is in Forest Park and has approximately 93 acres and improvements at the main campus will be approximately \$77 million. In 2018 the Zoo acquired 425 acres of land about 15 miles north of the main campus that will be developed into the WildCare Park at a cost of approximately \$230 million.

Repayment of the bonds will be from annual appropriation of Zoo cash flow. This is a conduit issue and the Board will not have any repayment obligation

Staff recommended adoption of the Resolution of Intent for bonds not to exceed \$135 million

Treasurer Mehner made a motion to adopt the Resolution of Intent for Revenue Bonds not to exceed \$135,000,000 for the Zoological subdistrict project:

RESOLUTION OF INTENT OF THE MISSOURI DEVELOPMENT FINANCE BOARD APPROVING A PROJECT FOR THE ZOOLOGICAL PARK AND MUSEUM DISTRICT OF THE CITY OF ST. LOUIS AND COUNTY OF ST. LOUIS, AND DETERMINING THE OFFICIAL INTENT OF THE BOARD TO ISSUE ITS REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$135,000,000 TO FINANCE AND REFINANCE THE COSTS OF SUCH PROJECT.

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

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

Nay: None

Absent: Holton, Kehoe, Kost

Chair Carmichael declared the motion passed.

C. MDFB FY 2023 Budget

Erica Griffin

Ms. Griffin presented the MDFB FY2023 Budget, along with projections for fiscal years 2024 and 2025. Ms. Griffin reported on Operating Revenues, Operating Expenses, and Non-Operating Revenues.

Ms. Griffin discussed the Operating Revenues noting specifically that Parking Garage Revenues continue to increase to pre-pandemic levels. Parking Garage Revenues were budgeted to be six percent lower than FY2019 revenues with actual FY2022 overall Operating Revenues comparable to FY2019.

Ms. Griffin discussed Operating Expenses noting the line items for Personnel, Parking Garage Operating Expenses and Parking Garage Capital Expenses. Parking Garage Capital Expenses continues to include repair and maintenance items identified in long term capital replacements plans as prepared by Walker Consultants. In addition, the FY2023 budget includes expenses to retain the services of Walker Consultants to prepare condition assessments and planning for improvements needed at the Ninth Street and Seventh Street Garages.

Treasurer Mehner commented on how the Board has been able to utilize their resources to repair and maintain the garages in the past avoiding the pitfalls of deferred repairs.

Ms. Griffin discussed the Non-Operating Revenue/Expenses and expected maturities of loan receivables outstanding. Ms. Griffin reported on the cash impacts on the Statement of Net Position noting an increase in net position of \$2 million.

Ms. Griffin noted the budget shows a total cash increase of \$8.7 million. Ms. Griffin was available for questions and staff recommended approval of the FY2023 Operating Budget as presented.

Director Stombaugh commented on the status and outstanding balances of the loan receivables. While the influx looks significant the board had previously been asked to renew those loan commitments.

Member Cranshaw made a motion to adopt the MDFB FY2023 Budget as presented. Treasurer Mehner seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

D. Election of Officers

Marie Carmicheal

Chair Carmichael noted the Board's Vice Chair position was vacant due to Mr. Gregory's resignation from the Board, and that she recommended that Matt Dameron be nominated for the Vice Chair position. Chair Carmichael spoke to Member Dameron to confirm his interest in continuing his service on the Executive Committee in this new role.

Chair Carmichael asked for nominations from the floor. Member Cranshaw made a motion to elect Matt Dameron as Vice Chair. Treasurer Mehner seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

Chair Carmichael noted that this now left the Secretary position vacant and in consultation with Mr. Stombaugh recommended that Member Buerck be nominated for the Secretary position. This would continue to add geographic diversity and unique perspectives to the Executive Committee. Chair Carmichael spoke to Member Buerck to confirm his interest in the position.

Chair Carmichael asked for nominations from the floor. Member Cranshaw made a motion to elect Brent Buerck as Secretary. Treasurer Mehner seconded the motion.

By unanimous consent, Chair Carmichael declared the motion passed.

Chair Carmichael informed the group that she had appointed John Parry to fill the Audit Committee Chairperson roll to fill that vacancy as well.

CLOSED SESSION

Treasurer Mehner made a motion to go into closed session as authorized by Section 610.021 (2) RSMo. Member Buerck seconded the motion. The following roll call vote was recorded:

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

Nay: None

Absent: Holton, Kehoe, Kost

Chair Carmichael declared the motion passed.

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

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

Nay: None

Absent: Holton, Kehoe, Kost

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

OPEN SESSION

VII. Executive Director's Report

Mark Stombaugh

Executive Director Stombaugh thanked everyone for their attendance and attention through the longer meeting. He shared the pipeline statistics to highlight three outstanding BUILD project commitments and interest from additional communities for tax credit projects.

Stombaugh informed the board that they were moving forward with posting two of the vacant staff positions and making investments in the conference room to upgrade capabilities.

VIII. Adjournment

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

Secretary Buerck