OVERVIEW OF THE BUILD MISSOURI PROGRAM, SECTION 100.700 ET SEQ., REVISED STATUTES OF MISSOURI

Introduction.

The Build Missouri Program is an incentive tool that allows the Department of Economic Development (the "Department") and the Missouri Development Finance Board (the "Board") to finance a portion of the costs of qualifying capital investments for eligible businesses which seek to locate or expand in Missouri.

The approved capital costs are financed through the issuance by the Board of certificates (bonds or notes) the principal and interest on which will be repaid by the business. The business is then reimbursed for these repayments through the issuance by the Board of Missouri State income tax credits. The business may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has no Missouri income tax liability.

Eligible Applicants and Amount.

Projects that are considered "services in interstate commerce" are eligible if the capital improvements exceed $15 million and at least 100 new jobs are created within three years after the Build certificates are issued. The amount of Build certificates approved by the Department and Board is subjective based on various relevant factors such as number of new jobs, total project investment, competition with other states, and economy of the hosting community.

Qualifying Capital Investments.

The Board may finance the acquisition and installation of any real and personal property with the proceeds of the certificates, including surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries and other surface obstructions; filling, grading and provision of drainage, storm water retention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications and similar facilities; off-site construction of utility extensions to the boundaries of the real property; and the acquisition, installation, or equipping of facilities on the real property, for use and occupancy by the eligible business.

Penalty and Reimbursement for Failure to Meet Projections.

To protect the state and, the Board's interest in the investment being made by the Board in a project, the Program Agreement will obligate the Applicant to reimburse the Board to the extent that the anticipated economic benefits and investment (i.e., both estimated number of new jobs, estimated wages and estimated capital investment) do not occur as projected in the application. The obligation to reimburse would include circumstances where the "new jobs" are reduced during the term of the Bonds due to layoffs or other workforce reduction, except in certain unforeseeable instances.