

**CHAIR:**  
MARIE J. CARMICHAEL

**MEMBERS:**  
REUBEN A. SHELTON  
JOHN E. MEHNER  
KELLEY M. MARTIN  
PATRICK J. LAMPING  
BRADLEY G. GREGORY  
MATTHEW L. DAMERON

**EXECUTIVE DIRECTOR:**  
ROBERT V. MISEREZ



**EX-OFFICIO MEMBERS:**  
PETER D. KINDER  
LIEUTENANT GOVERNOR

MIKE DOWNING  
DIRECTOR,  
ECONOMIC DEVELOPMENT

RICHARD FORDYCE  
DIRECTOR, AGRICULTURE

SARA PAULEY  
DIRECTOR,  
NATURAL RESOURCES

## MISSOURI DEVELOPMENT FINANCE BOARD

DATE: June 14, 2016

TO: Missouri Development Finance Board

FROM: Kimberly Martin *KM*

SUBJECT: \$10,322,700 Missouri BUILD Bond Program — Centene Corporation  
Resolution of Intent

**Company:** Centene Corporation is a diversified, multi-national enterprise that provides managed care coverage to employers and individuals, and also administers government-sponsored healthcare programs, focusing on under-insured and uninsured individuals. They are headquartered in Clayton, MO.

**Project Location:** City of Clayton, Missouri, St. Louis County

**Project Description:** The project will consist of the construction of a new 28 story office tower for use as part of Centene Corporation's corporate headquarters, an approximate 1,330 car parking garage with fitness center, as well as an additional office tower, parking and corporate auditorium.

**Amount:** \$10,322,700 Gross Amount  
\$10,000,000 Net Amount (after fees)

**Contact:** Tricia Dinkelman — Vice President, Tax

**Use of Funds:** Proceeds will be used for the construction of the new facilities in Clayton, MO

<b><u>Project Costs:</u></b>	Acquisition	\$ 72,690,000
	Infrastructure Costs	\$ 27,000,000
	Construction Costs	\$ 578,420,000
	Machinery and Equipment	\$ 39,000,000
	Interest, Legal and Misc.	\$ 54,710,000
	<b>TOTAL</b>	<b>\$ 771,820,000</b>

<b><u>Sources of Funds:</u></b>	Bond Proceeds	\$ 10,000,000
	Other State Incentives	\$ 35,700,000
	Bank Loan	\$ 276,075,000
	Applicant's Funds	\$ 348,765,000
	Local Incentives	\$ 101,280,000
	<b>TOTAL</b>	<b>\$ 771,820,000</b>

<b><u>BUILD Bond Term:</u></b>	15 years
<b><u>Total New Investment:</u></b>	In excess of \$771 million in Qualified Investment. <i>(Minimum New Qualified Investment must be at least \$15 million.)</i>
<b><u>Jobs:</u></b>	1,000 New Jobs over the next three years (Minimum New Jobs must be at least 100)
<b><u>Projected Average Wage:</u></b>	\$73,125. <i>(The average wage for a position within St. Louis in April, 2016 was \$56,276.)</i>
<b><u>Proposed Local Incentives:</u></b>	The City of Clayton is being asked to provide Real Property Tax Abatement of \$95,590,000, Personal Property Tax Abatement of \$3,190,000 and a Transportation Development District commitment of \$2,500,000.
<b><u>State Incentives:</u></b>	DED has included approximately \$35,700,000 in Mega Works incentive and sales tax exemptions on building materials and personal property purchased with Chapter 100 bonds.
<b><u>Economic Impact Analysis:</u></b>	Present Value of the Net Benefit to the State — \$27.8 million over 15 years. (Economic Impact Analysis on file.)
<b><u>Summary:</u></b>	Staff recommends adoption of the Resolution of Intent in an amount not to exceed \$10,322,700.
<b><u>Appendices:</u></b>	Appendix A — Application Appendix B — DED’s Recommendation Appendix C — Resolution of Intent

## **APPENDIX A**

Centene Application

# BUILD MISSOURI APPLICATION

Date: June 8, 2016 Amount of Bonds Requested  
(excluding costs of issuance): \$10,000,000

## A. THE APPLICANT

Name: Centene Corporation\*  
Address: 7700 Forsyth Blvd, Suite 800  
City St. Louis State: MO Zip Code: 63105  
Contact: Tricia Dinkelman Telephone: 314-505-6308  
Title: Vice President, Tax Fax: 314-725-4658  
E-mail: tdinkelman@centene.com  
Headquarter Address (if different than project facility)  

---

### 1. Business Organization of Applicant:

- Corporation  
 C-Corporation  
 S-Corporation  
 LLC
- Partnership  General  Limited  
 Sole Proprietorship
- Publicly Held  
 Privately Held

\* Although Centene Corporation is designated here as the applicant, it is expected that some of the performance obligations related to the BUILD Bonds would be performed by one or more of its related entities, successors and assignees.

State of Organization: Delaware  
Date of Initial Organization: September 26, 2001\*\*  
Federal ID No. (FEIN): 42-1406317  
MITS/Missouri ID No.: 16668952  
Fiscal Year End: December 31

\*\*Centene Corporation became a public corporation on September 26, 2001. Its predecessor entities commenced operations in 1984.

Business Size in Annual Sales/Receipts: (check one)

- \$0 — \$250,000     \$250,000 — \$500,000     \$500,000 — \$1 M  
 \$1 M — \$5 M     \$5 M — \$10 M     \$10 M — Over

Is the Applicant a subsidiary or affiliated directly with any other organization? If so, indicate name and relationship of related organization:

No. \_\_\_\_\_

Provide the following information for such organization:

- Corporation  
     C-Corporation  
     S-Corporation  
     LLC
- Partnership     General     Limited  
 Sole Proprietorship
- Publicly Held  
 Privately Held

State of Organization: \_\_\_\_\_

Date of Initial Organization: \_\_\_\_\_

2. Officers and Directors

<u>Title</u>	<u>Name</u>	<u>City/State of Residence</u>
President	<u>See Attachment #1</u>	_____
Vice President	_____	_____
Secretary	_____	_____
Treasurer	_____	_____
Directors	_____	_____
	_____	_____
	_____	_____
	_____	_____

Centene Corporation is a publicly traded company and is listed on the New York Stock Exchange under the stock ticker symbol "CNC".

3. Principal Stockholders or Partners:

<u>Name</u>	<u>%</u>	<u>City/State</u>
N/A		

4. Legal Counsel to the Applicant:

Firm Name: Armstrong Teasdale LLP  
Address: 7700 Forsyth Blvd, Suite 1800  
City St. Louis State: MO Zip Code: 63105  
Contact: Daniel J. Godar Phone: 314-621-5070  
Fax: 314-621-5065 E-mail: dgodar@armstrongteasdale.com

5. Applicant's Principal Bankers:

Name: Citibank  
Address: 111 Wall Street  
City New York State: NY Zip Code: 10043  
Contact: Brian Collins Phone: 302-325-6007  
Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

6. Applicant's Historical Operations:

Provide the date the Applicant's existing business was established and a brief history of the events leading to the current operations (if necessary, please provide additional information on a separate, attached sheet):

**See Attachment #2**

7. Applicant's Current Operations:

Briefly, describe the Applicant's operations, including description of existing products, facilities and in general, its method of operations, customers and suppliers (if necessary, please provide additional information on a separate, attached sheet):

**Centene operates health plans in Arizona, Arkansas, California, Florida, Georgia, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, Ohio, Oregon, South Carolina, Tennessee, Texas, Vermont, Washington, and Wisconsin. Its health plans contract with healthcare providers and facilities to provide medical services to its members. As noted above, Centene also provides various specialty services. Additional information regarding Centene is available at [www.centene.com](http://www.centene.com).**

What is the Applicant's Facility NAICS\* Code(s): 524290

\* NAICS — North American Industry Classification System. The Federal Office of Management and Budget (OMB) adopted the NAICS as the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. Normally, a general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:

- Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
- Has an employee in some portion of a day in each of 20 different weeks, or
- Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
- Acquires and continues without interruption substantially all the business of a liable employer.

8. Determination of Eligible Industry:

Is the Applicant an "Eligible Industry" within the meaning of the BUILD Act:

Yes       No

What type of “Eligible Industry” is the Applicant? (Check all that apply.)

- manufacturing
- processing
- assembling
- research and development
- services in interstate commerce
- office industry
- agricultural processing

“**Distressed Community 135.530 RSMo**” For the purposes of this act, “distressed community” means either a Missouri municipality within a metropolitan statistical area which has a median household income of under seventy percent of the median household income for the metropolitan statistical area, according to the last decennial census, or the United States Census Block Group or contiguous group of block groups within a metropolitan statistical area which has a population of at least two thousand five hundred, and which has a median household income of under seventy percent of the median household income for the metropolitan area in Missouri, according to the last decennial census. In addition, the definition shall include municipalities not in a metropolitan statistical area, with a median household income of seventy percent of the median household income for the non-metropolitan areas in Missouri according to the last decennial census or a Census Block Group or contiguous group of block groups which has a population of at least two thousand five hundred which has a median household income of seventy percent of the median household income for the non-metropolitan areas of Missouri, according to the last decennial census.

“**Eligible industry**” means a business located (or to be located) within the state of Missouri which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, health or professional services. “**Eligible industry**” does not include a business which closes or substantially reduces its operation at one location in the state and relocates substantially the same operation to another location in the state. This does not prohibit a business from expanding its operations at another location in the state provided that existing operations of a similar nature located within the state are not closed or substantially reduced. This also does not prohibit a business from moving its operations from one location in the state to another location in the state for the purpose of expanding such operation provided that the Board determines that such expansion cannot reasonably be accommodated within the municipality in which such business is located, or in the case of a business located in an incorporated area of the county, within the county in which such business is located, after conferring with the chief elected official of such municipality or county and taking into consideration any evidence offered by such municipality or county regarding the ability to accommodate such expansion within such municipality or county.



“**Office industry**” means a regional, national or international headquarters, a telecommunications operation, a computer operation, an insurance company, or a credit card billing and processing center.

“**Related Taxpayer**” means (i) a corporation, partnership, trust or association controlled by the Applicant; (ii) a corporation, partnership, trust or association in control of the Applicant, or (iii) a corporation, partnership, trust or association controlled by an individual, corporation, partnership, trust or association in control of the taxpayer. For the purposes of this definition, “control of a corporation” shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote; “control of a partnership or association” shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association; and “control of a trust” shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust; ownership shall be determined as provided in Section 318 of the U.S. Internal Revenue Code.

Has the Applicant (or any Related Taxpayer) closed or substantially reduced its operation at one location in the state in the last three years?

Yes     No    If yes, please give details.

N/A

Will the Project include any operations, which were previously conducted in the State by the Applicant (or any Related Taxpayer?)

Yes     No    If yes, please give details.

**The primary purpose of the new facility would be to house certain functions that currently reside in California. Secondly, new jobs from the organic growth of Centene would be located in the proposed facility. Centene has several other locations throughout the St. Louis area. While a new building may, if business needs dictate, also house some existing employees who work throughout the St. Louis area, the figures in this application do not include the relocation of Centene’s current Missouri-based employees.**

**B. THE PROJECT**

1. Project Description:

Type of Project: (Check all that apply.)

- construction of new infrastructure
- acquisition of real estate
- construction of new facilities
- acquisition of existing facilities
- additions or improvements to existing facilities
- acquisition of equipment

Location of Project Site:

See Attachment #3

(Street)

(City)

(ZIP)

(County)

Provide a detailed description of the Project, including land, buildings (type and size), improvements, machinery and equipment to be acquired or constructed, the principal use of the facilities once acquired or constructed and the address of the proposed Project (attach Exhibits if necessary):

**See Attachment #4**

What is the expected date of commencement of construction of the Project?

Date: December 1, 2016

What is the date the Project is expected to commence operations?

Date: October 1, 2019

2. Project Costs:

Use the following table to state the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures.

<u>Description of Estimated Project Costs</u>	<u>Cost Financed With BUILD Bond Proceeds</u>	<u>Total Cost</u>
A. Acquisition of Land		
Acquisition of Existing Buildings	\$	\$ 72,690,000
B. Infrastructure Costs:	\$	\$ 27,000,000
1. Filling, grading and provision of drainage	\$	\$ Incl. in B
2. Storm water retention	\$	\$ Incl. in B
3. Installation and extension of utilities (offsite):	\$	\$ Incl. in B
a. water	\$	\$ Incl. in B
b. sewer	\$	\$ Incl. in B
c. sewage treatment	\$	\$ Incl. in B
d. gas	\$	\$ Incl. in B
e. electricity	\$	\$ Incl. in B
f. communications and similar facilities	\$	\$ Incl. in B
4. Installation and extension of utilities (onsite):	\$	\$ Incl. in B
a. water	\$	\$ Incl. in B
b. sewer	\$	\$ Incl. in B
c. sewage treatment	\$	\$ Incl. in B
d. gas	\$	\$ Incl. in B
e. electricity	\$	\$ Incl. in B
f. communications and similar facilities	\$	\$ Incl. in B
5. Construction, Extension or Improvement of Roads and/or Rail Lines	\$	\$ Incl. in B
6. Extension of sidewalks and curbing	\$	\$ Incl. in B
7. Elimination of Blight (please describe)	\$	\$ Incl. in B
8. Other (please describe)	\$	\$ Incl. in B
C. Facility Construction Costs (exclude inventory and working capital):		
1. Architectural and Engineering	\$	\$ Incl. in C.5
2. Site Preparation	\$	\$ Incl. in C.5
3. Materials	\$	\$ Incl. in C.5
4. Labor	\$	\$ Incl. in C.5
5. Construction Contracts	\$ 10,000,000	\$ 578,420,000
6. Utilities Connection	\$	\$ Incl. in C.5
7. Paving and Landscaping	\$	\$ Incl. in C.5
D. Renovation Costs	\$	\$ 0.00
E. Machinery and Equipment	\$	\$ 39,000,000
F. Furniture and Fixtures	\$	\$ Incl. in E
G. Interest During Construction		
From _____ To _____	\$	\$ 30,920,000
H. Accounting, Legal, Miscellaneous	\$	\$ Incl. in B & C
I. Contingency	\$	\$ 23,790,000
TOTAL PROJECT COSTS	\$	\$ 771,820,000

The Board encourages the involvement of minority and women-owned businesses in all of its programs and purchases.

Source of Funds:

A. State amount and sources of financing for all of the Project costs listed above.

<u>Sources</u>	<u>Amount</u>
Bond Proceeds	\$ _____
Other Financing	\$ _____
Applicant's Funds	\$ _____
Federal Grants or Loans	\$ _____
Other Public Moneys:	\$ See Section B below.
City	\$ See Section B below.
County	\$ _____
Other	\$ See Section B below.
TOTAL*	\$ _____

\* Should match Total Project Costs from Page 8

B. Describe and name the source of all Other Financing, Federal Grants or Loans, and Other Public Moneys listed above.

3. Ownership:

Present legal owner of project site (the real property on which the Project will be located):

---

If presently owned by Applicant, indicate date of purchase, reason for purchase, and current use of the Project Site:

---

Is the current owner a Related Taxpayer to the Applicant?

Yes     No    If yes, please describe the relationship:

---

4. Effect of Project on Employment.

A. Number of temporary jobs (including construction) created as a result of the Project:

476 Number \$75.00 Average Hourly Wage

B. Number of “new jobs” created as a result of the Project:

1,000 Number \$73,125.00 Average ~~Hourly~~ <sup>Annual</sup> Wage

“New job” means a full-time position (minimum 35 hours) in a new or expanding eligible business created within a period determined by the Department (ending generally three years of the date of issuance of the Bonds), not including jobs of recalled workers or replacement jobs (jobs that formerly existed in the eligible business in the State). A qualified employee may not have been employed by the Applicant or a Related Taxpayer during the 12 months prior to the creation of the “new job.”

Describe the New Jobs, projected gross wages and average starting wage to be created in each of the following years. The number of new jobs are those jobs added during a given year and are **not** cumulative.

Occupational Classification	Number of New Jobs added in Year 1	Projected Gross Wages	Number of New Jobs added in Year 2	Projected Gross Wages	Number of New Jobs added in Year 3	Projected Gross Wages	Average Starting Wage (Use current pay scales)
Professional	170	\$78,000	128	\$78,000	127	\$78,000	\$78,000
Office/Clerical	30	\$45,500	22	\$45,500	23	\$45,500	\$45,500
Totals	200		150		150		

C. Number of existing jobs that will be retained as a result of the Project:

0 Number (Full-time) \_\_\_\_\_ Average Hourly Wage

0 Number (Part-time) \_\_\_\_\_ Average Hourly Wage

List current employees of the Applicant at the Project site and elsewhere in the State of Missouri.

<b>Occupational Classification</b>	<b>Total</b>	<b>Average Starting Wage</b>	<b>Average Maximum Wage</b>	<b>Explanatory Notes (include location)</b>
Professional				See Attachment #6
Office & Clerical				See Attachment #6
Totals				

- D. If the proposed Project results in the closing of facilities or the reduction of employees at other Missouri sites, indicate the reasons for such closing or reduction and set forth facts upon which the Board may determine that the Project will result in added employment for the State of Missouri and that financing the Project will be in the public interest.

**As stated previously, a new building may house some existing employees who work throughout the St. Louis area as business reasons dictate. This may result in the closing of one or more locations, but these relocations are not considered in this application.**

- E. Were any of the “new jobs” previously performed by employees of the Applicant or any Related Taxpayer in Missouri?

Yes  No If yes, please explain (if necessary, please provide additional information on a separate, attached sheet):

**See Attachment #7**

## C. FINANCIAL INFORMATION

1. Financial Statements:

Attach financial statements (audited, if available) for at least the last three (3) fiscal years, including a recent statement (less than 90 days old). If pro forma financial statements have been prepared, please submit. Other comparable information may be requested.

See Attachment #8

2. Financial Difficulties:

Has the Applicant (or any Related Taxpayer) or any of the management of the Applicant or its affiliates, or any concern with which such management has been connected, ever defaulted on its debt obligations, been involved in bankruptcy, creditor's rights, or receivership proceedings, or involved in criminal proceedings bearing on the handling of financial matters?

Yes  No

If yes, please give details.

N/A

3. Litigation:

Is the Applicant (or any Related Taxpayer) presently involved in any litigation which would have a material effect on its financial solvency?

Yes  No

If yes, please give details.

N/A

4. Other Information:

Indicate facts which would support the Board's determination that the Project will tend to maintain or provide gainful employment for the people of the State of Missouri; maintain or increase the tax base or the economy of the State; maintain, diversify or expand industry in the State or in any other way will be a benefit to the economy of the State.

**See Attachment #9.**

5. In which state legislative District(s) is the Project located:

House: 87 Senate: 14  
In which U.S. Congressional District: 2

**D. OTHER INFORMATION**

1. Describe in detail all local incentives, which are under consideration by the Applicant in connection with the Project and the projected annual benefit of each incentive.

<b>Description of Local Incentives</b>	<b>1st Year Value</b>	<b>2nd Year Value</b>	<b>3rd Year Value</b>	<b>Aggregate Value (all years)</b>
See Attachment #10				

2. Describe in detail why participating in the BUILD Program is a major factor in the Applicant’s decision to go forward with the project and not receiving approval will result in the Applicant not creating new jobs in Missouri.

**See Attachment #11**

3. Describe in detail the projected positive fiscal impact to the state from the Project.

**See Attachment #12**



4. The Department and the Board discourage the use of tax credits to induce other businesses within the State to relocate at the Project by offering either lease or rental rates that are below average market lease or rental rates, or where such businesses are offered tenant improvement allowances or any and all other allowances in such amounts above those customarily offered in the market where the Project is located. If the Project results in the creation of rentable space to be occupied by other than the Applicant, provide a summary of all leases, commitments for leases or expected leases to be entered into for any space in the Project.

**The Board reserves the right to postpone any action on this Application if the Applicant fails to provide all information required by this Application.**

**Issuance Costs:** \_\_\_\_\_

Application Fee: \$1,000 (non-refundable) payable to the Board.

Issuance Fee: 2.5% of principal amount of Bonds issued payable to the Board.

Annual Fee: 0.5% of principal amount of Bonds outstanding on each anniversary date of issuance of Bonds payable to the Board.

Legal Fees: Legal fees will be assessed at 0.60% of principal amount of Bonds issued, but not less than \$10,000, plus actual out-of-pocket expenses payable to the Board. An additional fee will be assessed for projects that require additional time for circumstances beyond a normal issuance (e.g. an additional \$5,000 for separating the bonds into two or more series for separate purposes).

Trustee Fees: Acceptance fee of \$850 and annual administrative fee of \$850.

The Board's issuance fee, the legal fees and the Trustee's acceptance and first annual administrative fees may be included in the principal amount of the Bonds requested and are eligible for reimbursement with Tax Credits.

## BUILD ATTACHMENT E - CERTIFICATION

I, the undersigned, acting on behalf of the Applicant named below, hereby certify and agree to the following:

1. The information submitted by the Applicant to DED in connection with the Project is true and correct and such information is consistent with documents provided to lenders, other government programs, or investors. The Applicant hereby authorizes DED to verify such information from any source;
2. Neither the Applicant, nor any person actively engaged in the management of the Applicant:
  - a) Has committed a felony, is currently under indictment for a felony, or is currently on parole or probation;
  - b) Is delinquent with respect to any non-protested federal, state or local taxes or fees;
  - c) Has filed (or is about to file) for bankruptcy, unless otherwise disclosed to DED; or
  - d) Has failed to fulfill any material obligation under any other state or federal program;
3. There are no pending or threatened liens, judgments, or material litigation against the Applicant or any person identified on the application which is likely to have a material impact on the Applicant's viability;
4. Neither the operations of the Project itself nor the receipt of incentives for the Project would violate any existing agreement;
5. The Applicant has obtained or is capable of obtaining all necessary federal, state and local permits and licenses for the Project;
6. I certify that the applicant does NOT knowingly employ any person who is an unauthorized alien and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien;
7. I certify that the applicant is enrolled and will participate in a federal work authorization program as defined in Section 285.525(6), RSMo., with respect to employees working in connection with the activities that qualify applicant for this program. I certify that the applicant will maintain and, upon request, provide the Department of Economic Development documentation demonstrating applicant's participation in a federal work authorization program with respect to employees working in connection with the activities that qualify applicant for this program;
8. I certify that the Applicant shall include in any contract it enters with a subcontractor in connection with the activities that qualify applicant for this program, an affirmative statement from the subcontractor that such subcontractor is not knowingly in violation of Section 285.530.1, RSMo. and shall not be in violation during the length of the contract. In addition the Applicant will receive a sworn affidavit from the subcontractor under the penalty of perjury, attesting that the subcontractor's employees are lawfully present in the United States. I certify that the Applicant will maintain and provide the Department of Economic Development and Department of Revenue access to documentation demonstrating compliance with this requirement
9. I understand that, pursuant to section 285.530.5, RSMo, a general contractor or subcontractor of any tier shall not be liable under section 285.525 to 285.550 when such general contractor or subcontractor contracts with its direct subcontractor who violates section 285.530.1, if the contract binding the contractor and subcontractor affirmatively states that the direct subcontractor is not knowingly in violation of section 285.530.1 and shall not henceforth be in such violation and the contractor or subcontractor receives a sworn affidavit under the penalty of perjury attesting to the fact that the direct subcontractor's employees are lawfully present in the United States;
10. I understand that if the applicant is found to have employed an unauthorized alien, applicant may be subject to penalties pursuant to Sections 135.815, 285.025, and 285.535, RSMo;
11. I understand that if the applicant is found to have employed an unauthorized alien in Missouri and did not, for that employee, examine the document(s) required by federal law, the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding;
12. I attest that I have read and understand the BUILD Program guidelines;
13. I will inform DED if, at any time before project completion, there is any change to any of the certifications made herein;
14. I hereby agree to allow representatives of the Department of Economic Development (DED), Department of Revenue, or either of their designated representatives, access to the property and applicable records as may be necessary for the administration of this program; and,
15. I certify under penalties of perjury that the above statements and information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.

I certify that I am a Corporate Officer/Member of the Applicant and have the proper authority to execute this document on behalf of the Applicant. I am authorized to make the statement of affirmation contained herein. I realize that failure to disclose material information regarding the Applicant, any owners or individuals engaged in the management of the Applicant, or other facts may result in criminal prosecution.

Applicant Signature	Print Name	Title	Date
	Tricia Dinkelman	VP, Tax	06/07/16

STATE OF Missouri )  
 COUNTY OF St. Louis ) SS

On this 7<sup>th</sup> day of June in the year 2016 before me, Kathie J. Torti, a Notary Public in and for said state, personally appeared Tricia Dinkelman [name of Corporate Officer/ Member], V.P., Tax [Official Title],

Centene Corporation [Name of Corporation/ Limited Liability Corporation], known to me to be the person who executed the within Agreement in behalf of said company and acknowledged to me that he or she executed the same for the purposes therein stated.

Kathie J. Torti  
 Notary Public

**KATHIE J. TORTI**  
 Notary Public - Notary Seal  
 STATE OF MISSOURI  
 Commissioned for St. Louis County  
 My Commission Expires: May 30, 2020  
 Commission # 12534366

My commission expires May 30, 2020

<sup>1</sup>If more than one representative signs use a copy of this page for each signatory

**ATTACHMENT #1**

**Centene Corporation  
BUILD Missouri Application  
Section A - The Applicant  
Part 2 - Officers and Directors**

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Residence</u></b>
<b><i>Management:</i></b>		
Chairman, President and Chief Executive Officer	Michael F. Neidorff	St. Louis, MO
Executive Vice President, Markets	K. Rone Baldwin	St. Louis, MO
Executive Vice President, Global Corporate Development	Cynthia Brinkley	St. Louis, MO
Senior Vice President, Chief Information Officer	Mark J. Brooks	St. Louis, MO
Executive Vice President and Chief Administrative Officer	Carol E. Goldman	St. Louis, MO
Executive Vice President, Products	Jesse N. Hunter	St. Louis, MO
Senior Vice President, Corporate Controller, CAO	Christopher Isaak	St. Louis, MO
Executive Vice President, Chief Financial Officer	Jeffrey A. Schwaneke	St. Louis, MO
Senior Vice President, General Counsel, Corporate Secretary	Keith H. Williamson	St. Louis, MO
<b><i>Board of Directors:</i></b>		
Chairman, President and CEO	Michael F. Neidorff	St. Louis, MO
Director	Orlando Ayala	Seattle, WA
Director	Robert K. Ditmore	Carmel, CA
Director	Frederick H. Eppinger	Grafton, MA
Director	Vicki B. Escarra	Chicago, IL
Director	Pamela A. Joseph	Atlanta, GA
Director	Richard A. Gephardt	Washington, DC
Director	John R. Roberts	St. Louis, MO
Director	David L. Steward	St. Louis, MO
Director	Tommy G. Thompson	Alexandria, VA

## ATTACHMENT #2

**Centene Corporation**  
**BUILD Missouri Application**  
**Section A - The Applicant**  
**Part 6 – Applicant’s Historical Operations**

Founded as a single health plan in 1984, Centene Corporation is a diversified, multi-national enterprise that provides managed care coverage to employers and individuals, and also administers government-sponsored healthcare programs, focusing on under-insured and uninsured individuals. Headquartered in Clayton, Mo., the Company operates health plans in 23 states and in all 50 states also provides one or more of the following specialty services: behavioral health, life and health management, long-term care, managed vision, managed dental, specialty pharmaceuticals, nurse triage, pharmacy benefits management, and treatment compliance.

Centene’s key milestones include:

*1984* – Family Hospital Physician Associates is created in response to a Medicaid managed care initiative in Wisconsin.

*1987* – Organization’s name changes to Managed Health Services Insurance Corp.

*1996* – Michael F. Neidorff is named president and chief executive officer.

*1997* – Company name is changed to Centene and its headquarters move to Clayton, Missouri.

*2001* – Centene becomes a publicly traded company on NASDAQ.

*2003* – Centene begins trading on the New York Stock Exchange (NYSE) as CNC.

*2004* – Centene reaches \$1 billion in annual revenue.

*2016* – Centene acquires Health Net; expected annual revenue is more than \$40 billion

**ATTACHMENT #3**

**Centene Corporation  
BUILD Missouri Application  
Section B - The Project  
Part 1 – Location of Project Site**

- 12, 14, & 20 South Hanley Rd., St. Louis, Missouri 63105
- 7600 & 7606 Forsyth Blvd., St. Louis, Missouri 63105
- 7440, 7454, 7510, 7518, 7520, 7634, & 7528 Forsyth Blvd., St. Louis, Missouri 63105
- 7630, 7632, 7636, & 7642 Forsyth Blvd., St. Louis, Missouri 63105
- 10 South Lyle Ave., St. Louis, Missouri 63105
- 101 & 105 Carondelet Plaza, St. Louis, Missouri 63105

**ATTACHMENT #4**

**Centene Corporation  
BUILD Missouri Application  
Section B - The Project  
Part 1 – Description of Project**

The Project will include the following components in Phase I:

- (a) an approximate 600,000 square foot 28 story office tower which includes approximately 750 parking spaces for use as part of Centene Corporation's corporate headquarters, with portions of the tower to be leased to third party tenants;
- (b) an approximate 1,330 car parking garage which will include an approximately 40,000 square foot fitness center;
- (c) another tower which includes approximately 150,000 square feet of office space to be occupied as part of Centene's corporate headquarters and a portion of which will be leased to third party tenants and a one hundred twenty room hotel. The tower will be located above a parking garage for approximately 750 cars; and
- (d) an approximate 1,000 seat corporate auditorium.

The information regarding the development parcels is described in Attachment #5.

## ATTACHMENT #5

**Centene Corporation**  
**BUILD Missouri Application**  
**Section B - The Project**  
**Part 1 – Ownership**

Present legal owner of Project Site:

- Hanley-Forsyth, LLC – 12, 14, & 20 South Hanley Rd. and 7600, 7630, 7632, 7636, & 7642 Forsyth Blvd.
- Forhan, LLC – 7606 Forsyth Blvd.
- Clayton Property Investment LLC – 101 & 105 Carondelet Plaza and 7440, 7454, 7510, 7518, 7520, 7634, & 7528 Forsyth Blvd.
- Centene Center II, LLC – 10 South Lyle Ave.

Date of purchase, reason for purchase, and current use of Project Site:

- 101 & 105 Carondelet Plaza and 7440, 7454, 7510, 7518, 7520, 7634, & 7528 Forsyth Blvd. – July 2012 – acquired to build Project – vacant land.
- 12, 14, & 20 South Hanley Rd. and 7630, 7632, 7636, & 7642 Forsyth Blvd. – October 2014 – acquired to build Project – vacant land.
- 7606 Forsyth Blvd. – June 2015 – acquired to build Project – vacant building.
- 7600 Forsyth Blvd. – September 2015 – acquired to build Project – vacant building.
- 10 South Lyle Ave. – November 2015 – acquired to build Project – vacant building.

Centene Corporation  
 BUILD Missouri Application  
 Section B - The Project  
 Part 4 - Effect of Project on Employment  
 Item C

Location of current employees in the state of Missouri

<u>Address</u>	<u>City</u>	<u>Office &amp; Clerical Employees</u>			<u>Professional Employees</u>		
		<u>Number of Employees</u>	<u>Average Salary</u>	<u>Average Salary - Max of Range</u>	<u>Number of Employees</u>	<u>Average Salary</u>	<u>Average Salary - Max of Range</u>
7700 Forsyth Blvd	Clayton	127	\$46,707	\$54,600	900	\$112,770	\$135,000
7711 Carondelet Ave.	Clayton	60	\$43,442	\$54,600	189	\$90,699	\$115,500
16090 Swingley Ridge Rd.	Chesterfield	59	\$45,224	\$54,600	246	\$80,796	\$99,200
1239 Hanley Industrial Ct	Brentwood	11	\$35,947	\$44,800	7	\$70,401	\$84,300
5995 James S. McDonnell Blvd	St. Louis	4	\$40,300	\$49,600	20	\$140,254	\$158,100
400 South Woodsmill Rd.	Chesterfield	165	\$41,135	\$49,600	255	\$80,485	\$99,200
424 South Woodsmill Rd.	Chesterfield	3	\$47,042	\$54,600	117	\$85,929	\$99,200
10990 New Halls Ferry Rd.	Ferguson	-	NA	NA	-	NA	NA
2900 Pershall Road	Ferguson	102	\$33,754	\$41,100	62	\$83,412	\$99,200
1370 Timberlake Manor Parkway	Chesterfield	14	\$42,902	\$49,600	200	\$92,666	\$115,500
7733 Forsyth Blvd	Clayton	-	NA	NA	1	\$215,250	\$261,200
4240 Duncan Ave	St. Louis	-	NA	NA	8	\$111,244	\$135,000
1 Centene Plaza	Farmington	233	\$29,998	\$37,000	96	\$53,058	\$65,700
6430 Weldon Springs Rd.	O'Fallon	-	NA	NA	3	\$69,439	\$84,300
220 Madison Street	Jefferson City	-	NA	NA	5	\$79,219	\$99,200
Employees working from Missouri Homes	Various	10	\$61,456	\$73,000	19	\$90,473	\$115,500



**ATTACHMENT #7**

**Centene Corporation**  
**BUILD Missouri Application**  
**Section B - The Project**  
**Part 4 – Effect of Project on Employment**  
**Item E**

Centene reasonably expects that the new facility would include some operations previously conducted at other locations in the state. While there may be some employee movement among the various Missouri locations if the new facility is built, Centene expects to create net new jobs that will either be located within the new facility, or in newly-created capacity at Centene's other St. Louis area locations as a result of certain employees moving to the proposed new facility. The BUILD Bond would better enable Centene to add Missouri jobs, such as jobs related to its operation of newly-acquired health plans in California that might otherwise be located elsewhere.

## **ATTACHMENT #9**

### **Centene Corporation BUILD Missouri Application Section C – Financial Information Part 4 - Other Information**

Centene Corporation's current corporate headquarters is located in Clayton, Missouri. Centene Corporation recently acquired Health Net, a large health insurance provider headquartered in California with more than 8,500 employees. Centene Corporation currently services customers in more than twenty states throughout the United States with a number of office locations in each state. Centene Corporation would like to maintain its corporate headquarters in Clayton, Missouri and provide employment to a substantial number of new employees within the State rather than having the job expansion take place in California or other parts of the country. Incentives from the BUILD Missouri program will assist Centene Corporation in maintaining the current levels of employment within the State of Missouri and facilitate expansion of Centene's current Missouri job base of high quality jobs with substantial benefits for its employees. Without the benefits of the BUILD Missouri Program, Centene may be compelled to have its additional job growth occur in other states. The Project will create at least 2,400 construction jobs during the two year construction period and at least 1,000 permanent new jobs at Centene within the State after completion.

**ATTACHMENT #10**

**Centene Corporation  
BUILD Missouri Application  
Section D - Other Information  
Part 1 - Describe Local Incentives**

<b>Description of Local Incentives</b>	<b>1st Year Value</b>	<b>2nd Year Value</b>	<b>3rd Year Value</b>	<b>Aggregate Value (all years)</b>
Chapter 100 Tax Abatement	\$2,390,000	\$7,120,000	\$9,280,000	\$98,780,000
Sales Tax Exemption on Construction Material	\$2,840,000	\$3,940,000	\$3,950,000	\$10,730,000
Sales Tax Exemption on Personal Property	\$0	\$0	\$845,000	\$1,650,000
Special Taxing District Financing	\$0	\$0	\$0	\$2,500,000

## ATTACHMENT #11

**Centene Corporation**  
**BUILD Missouri Application**  
**Section D – Other Information**  
**Part 2**

The BUILD Bonds and related tax credits are necessary for Centene to invest approximately \$627 million in building improvements, tenant improvements, finishes, furnishings, fixtures and equipment, and to offset new-hire recruitment and training costs, and relocation costs related to California employees. Without the BUILD Bonds, the proposed Project is not as financially feasible and it may instead be beneficial to maintain more functions in California facilities obtained when the Company acquired Health Net. Also, the property where Centene is currently located presents extraordinary obstacles to growth. Centene has reached its capacity in terms of the available space. It needs to decide whether to expand its Missouri headquarters or to house new growth in buildings obtained in the Health Net acquisition in California, to expand in other parts of the country. The costs of constructing the new site into a consolidated headquarters facility that would meet Centene's needs is not financially feasible for Centene without the BUILD Bonds. Without the BUILD Bonds, Centene is unlikely to bring these new jobs to Missouri, and may instead continue its growth in California or other parts of the country.

**ATTACHMENT #12**

**Centene Corporation  
BUILD Missouri Application  
Section D – Other Information  
Part 3**

<b><u>Category of State Benefit</u></b>	<b><u>1st Year</u></b>	<b><u>2nd Year</u></b>	<b><u>3rd Year</u></b>	<b><u>Aggregate Over 15 Years</u></b>
<b>Projected State Corporate Income Tax</b>	\$160,000	\$322,000	\$494,000	\$22,749,000
<b>Projected State Employee Income Tax</b>	\$878,000	\$1,582,000	\$2,327,000	\$70,162,000
<b>Projected Increase in State Sales Taxes</b>	\$0	\$0	\$0	\$10,560,000

## **APPENDIX B**

DED's Recommendation

**TO:** Bob Miserez, Kim Martin, Sallie Hemenway, Mike Downing  
**FROM:** Greg Havener  
**DATE:** June 13, 2016  
**SUBJECT:** BUILD Application Review – Centene Corporation  
**START:** Application dated June 8, 2016

**A. Project Type and Description:**

1. **Company:** Centene Corporation (Centene) is a Fortune 500 company, a multi-national healthcare enterprise that provides portfolio services to government sponsored healthcare programs, focusing on under-insured and uninsured individuals. Many of these receive benefits under Medicaid, including the State Children’s Health Insurance Programs (SCHIP), Aged, Blind or Disabled (ABD), Foster Care, Long Term Care (LTC), and Supplemental Security Income (SSI). In addition, the company contracts with other healthcare and commercial organizations to provide specialty services including The Company operates health plans in 23 states and in all 50 states providing one or more of the following specialty services: behavioral health, health management, long-term care, managed vision, dental, nurse triage, pharmacy benefits management, and treatment compliance.

Centene’s approach to managing health plans enable it to provide accessible, high quality, healthcare services to its members. Centene’s health management, educational and other initiatives are designed to help members best utilize the healthcare system to ensure they receive appropriate medical services. Centene’s health plans and care coordination programs are specifically for Medicaid recipients, which results in improved service for its members and a greater control over the rising healthcare costs. The company combines local approach to managed health care plans with centralized financial management, information systems, and claims processing. Based on a simple business model, Centene’s focus strategy allows the company to meet the needs of its members while generating savings to the states in which it operates.

2. **Project Location:** The project will be located on adjacent to the current headquarters in the City of Clayton in St. Louis County, including the following addresses:  
12, 14, and 20 South Hanley Road  
7440, 7475, 7510, 7518, 7520, 7528, 7600, 7606, 7630, 7632, 7634, 7636, and 7642  
Forsyth Boulevard  
10 South Lyle Avenue  
101 and 105 Carondelet Plaza
3. **Project Type:** The proposed project is for the land acquisition, building construction, equipment, machinery, and furnishings for Centene Corporate Headquarters.

4. **Meets Project Eligibility:** Centene Corporation's proposed project would create over 1,000 new jobs at the facility and provide a substantial capital investment in the amount totaling approximately \$771.8 million. These jobs would be in addition to current full time employment within Missouri of 1,277. The capital investment and employment projections for this project exceed program requirements of \$10 million and 500 jobs. The facility will be an eligible industry as a headquarters office building.
5. **Project Description:** The proposed project includes land and building acquisition, infrastructure improvements, and the construction of buildings and parking garages with the new headquarters office facility to be occupied by Centene Corporation, together with other tenants. The first office building tower will be 28 stories providing 600,000 square feet of office space and 750 parking spaces. Centene Corporation will use part of this for headquarters and lease out space to third party tenants. Another building will have 150,000 square feet of space to house the rest of the headquarters functions. A 120 room hotel will be included as well as a 750 car parking garage. The facilities will include a 1,000 seat auditorium and an additional parking structure for 1,330 spaces. A fitness center covering 40,000 square feet is also in the plan. Initial site work and demolition is expected to commence December 1, 2016 with the expected completion date October 1, 2019. The total project costs are \$771.8 million.
6. **Financial Considerations:** Centene Corporation recently acquired a large health insurance provider headquartered in California, Health Net, Inc. The acquisition provides advantages and opportunities for Centene Corporation. One of the challenges is how to maintain client services for the Health Net customers while combining the administrative functions with those at Centene's corporate headquarters in Missouri. This requires an expansion of the current operation and personnel. Centene Corporation would like to maintain its corporate headquarters in Clayton, Missouri and provide employment to 1,000 new employees within the State rather than having the job expansion take place in California or another part of the country. Incentives from the BUILD Missouri program will facilitate expansion of Centene's current Missouri job base of high quality jobs with substantial benefits for its employees. Without the benefits of the BUILD Missouri Program, it may be more cost-effective to locate this additional job growth at one of their other facilities in another state. The Project will also create at least 476 well-paying construction jobs for two years.
7. **Financial Analysis:** The Company currently employs some 1,227 people in Missouri. The new operations will provide an additional 1,000 jobs. The average wage of these jobs would be significantly higher than the county/state average wage and would include Managed Care. This project will provide quality family supporting jobs for Missourians. The company's net earnings for 2013, 2014, and 2015 are \$166 million, \$264 million, and \$357 million, respectively. Revenues have been growing at a spectacular rate, 2013-\$10.8 million, 2014-\$16.5 million, and 2015-\$22.7 million. Centene Corporation acquired Health Net, Inc. in 2015 making it the nation's largest provider of Medicaid health care plans and doubled the number of people the company covers. While juggling the \$6.8 billion deal to buy Health Net, Centene also managed to exceed earnings expectations each quarter last year, recording big gains in both revenue and profit.



Revenue for 2015 grew 37 percent to \$22.8 billion, with the addition of 1 million members across the country.

8. **Amount Requested:** Amount of BUILD bonds requested is \$10 million, which is \$14,846,625 in estimated benefit.
9. **Proposal:** The proposal was based upon the creation of 1,000 new jobs in 6 years and in excess of \$771 million in new investment. DED proposed incentives that included \$10,000,000 in BUILD Bond Issuance (\$14,846,625 in proceeds), Mega Works for \$35,700,223, and sales tax exemptions of building materials and personal property purchased with chapter 100 bonds.

## **B. Compliance with Statutory Requirements:**

1. **New Jobs:** New jobs that were not jobs previously performed by employees of the applicant in Missouri? YES.
2. (a): **Applicant's project is economically sound?** YES.  
(b): **Project will increase opportunities for employment and strengthen the economy of Missouri?** YES, 1,000 new jobs will be created. There is an estimated positive net fiscal benefit to Missouri of at least \$27,884,394 over 15 years.
3. **Significant Local Incentives:** Centene Corporation is asking that the City of Clayton provide Real Property Tax Abatement for \$95,590,000, Personal Property Tax Abatement for \$3,190,000, and expanding the Transportation Development District to provide \$2,500,000. These entities have stated that they are committed to keeping Centene Corporation in Missouri.
4. **Receiving the credit was a major factor for the company to perform the project?**  
The proceeds from the issuance are necessary to help offset the costs for the needed construction of the facilities. The BUILD incentives are necessary for Centene Corporation to grow while maintaining the headquarters in Missouri. The new project requires approximately \$627 million in building improvements, tenant improvements, finishes, furnishings, fixtures, and equipment, and to offset new-hire recruitment and training costs, and relocation costs related to California employees. Maintaining the administrative functions for the new Health Net operation in California might be less costly without the benefits of the program. The BUILD Bonds allow the Missouri Project to be financially feasible. Also, the current Centene Corporation headquarters has reached its capacity for available space. The room for the new growth required can be located in the buildings already owned by Health Net in California. Without the BUILD Bonds, Centene is unlikely to bring the 1,000 new jobs to Missouri and may instead follow a plan to keep those operations in California.
5. **Overall positive state economic impact?** Yes, \$27.8 million net general revenue over 15 years.
6. **At least one other state that is considered for the project?** Yes, California and locations of other Centene facilities in other states.

7. **Significant disparity between MO and a competing state?** Yes, Missouri has the advantage of having the current Centene Headquarters located in Clayton. Relocating all of the current personnel to another state would be the source of a great deal of aggravation besides the monetary cost to Centene. The investment already made in the current facility would be lost.

**C. Factors that require MDFB/DED consideration for approval**

1. **Economy of St. Louis Metro Statistical Area where the project is to occur (April 2016 Data):**

	<b>St. Louis Metro Area</b>	<b>State</b>
Unemployment	4.9%	4.3 %
St. Louis City Average Wage	\$56,276	\$46,116*
Financial Specialist STL Reg	\$57,770	\$58,350**

\*MERIC 2015 Occupational Employment Statistics Survey  
 \*\*MERIC 2014 Occupational Employment Wage Estimates

2. **Payroll of the Project:** 200 jobs in first year/150 jobs in second year/150 jobs in third year/150 jobs in fourth year/150 jobs in fifth year/200 jobs in sixth year at an average starting wage of \$73,125 with the annual payroll totaling \$73,125,000.
3. **Capital Investment:** Total project investment \$771 million.
4. **Average wage paid by the company:** The estimated average starting salary of the new jobs will be \$73,125.
5. **The costs to the state and affected political subdivisions with respect to the project:** Factoring in the general revenues to the State, there is positive net general revenue of \$27.8 million according to the Economic Impact Analysis.
6. **Other incentives provided to the company:**  
 The Company intends to apply for Missouri Works - Mega Works 140 with an estimated benefit of \$35,700,223 over 11 years for 1,000 jobs. Centene Corporation is also planning to take advantage of sales tax exemptions totaling \$12.3 million.

**D. Analysis/Recommendation:**

The application is in compliance with the BUILD Act and program rules promulgated by DED and MDFB. A BUILD bond issue of \$10,000,000 (net of cost of issuance) for this project is recommended. The company plans to begin the project upon notice of the commitment by DED and MDFB; therefore a decision by the MDFB is needed at its earliest convenience.

## **APPENDIX C**

### Resolution of Intent

**RESOLUTION OF THE MISSOURI DEVELOPMENT FINANCE BOARD PRELIMINARILY APPROVING AN ECONOMIC DEVELOPMENT PROJECT FOR CENTENE CORPORATION OR A RELATED ENTITY TO SUCH CORPORATION, AND DETERMINING THE INTENT OF THE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS IN A PRINCIPAL AMOUNT OF APPROXIMATELY \$10,322,700 TO FINANCE A PORTION OF THE COSTS OF THE PROJECT.**

---

**WHEREAS**, the Missouri Development Finance Board (the “Board”) is authorized and empowered pursuant to the provisions of the Missouri Development Finance Board Act, Sections 100.250 to 100.297, inclusive, RSMo, and the Missouri Business Use Incentives for Large Scale Development Act, Sections 100.700 to 100.850, inclusive, RSMo (collectively, the “Act”), to make loans to finance the costs of “economic development projects”, which include: (a) the acquisition of any real property by the Board, the eligible industry, or its affiliate; (b) the fee ownership of real property by the eligible industry or its affiliate; and (c) the development of the real property including construction, installation, or equipping of a project, including fixtures and equipment, and facilities necessary or desirable for improvement of the real property, 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 industry or its affiliates; and

**WHEREAS**, pursuant to the Act, the Board, acting in cooperation with the Department of Economic Development (the “Department”), has established the BUILD Missouri Program (the “BUILD Program”) and approved the BUILD Missouri Program Guidelines and Application, all in accordance with the Act;

**WHEREAS**, under the Act, the Board and the Department are responsible for jointly administering the BUILD Program; and

**WHEREAS**, Centene Corporation, a Delaware corporation (the “Corporation”), has submitted a Program Application to the Board and has requested that the Board (i) approve the financing of an “economic development project” for the Corporation, a subsidiary or an affiliate of the Corporation or other entity to be owned or controlled by the Corporation (such entities being collectively referred to as the “Applicant”), consisting of constructing, furnishing and equipping new office facilities in the City of St. Louis, Missouri, as further described in the Application (the “Project”), (ii) issue its BUILD Missouri Revenue Bonds (the “Bonds”) to provide funds to pay a portion of the costs of the Project, (iii) loan the proceeds from the sale of the Bonds to the Applicant for the purpose of financing the costs of a portion of the Project, and (iv) issue state tax credits for all “program costs” (as defined in the Act), which includes payments required to pay debt service on the bonds, all in accordance with and pursuant to the Act; and

**WHEREAS**, the Department has forwarded to the Board its determination that the Application is in compliance with the Act and the Rules promulgated by the Department; and

**WHEREAS**, the Board desires to preliminarily approve the Application and to finance the costs of purchasing, constructing and equipping a portion of the Project by the issuance of the Bonds under the Act in a principal amount of approximately \$10,322,700, said Bonds to be payable solely out of

payments, revenues and receipts derived by the Board from the Applicant pursuant to a financing agreement evidencing the Board's loan of the proceeds of said Bonds to the Applicant; and

**WHEREAS**, the Board desires to approve the Application and the Board, the Department and the Applicant desire that the purchase, construction and equipping of the Project commence as soon as practicable;

**NOW, THEREFORE, BE IT RESOLVED BY THE MISSOURI DEVELOPMENT FINANCE BOARD, AS FOLLOWS:**

**Section 1. Findings and Determinations.** Based upon the information contained in the Application, the Board hereby preliminarily finds and determines as follows:

- (1) The Applicant is an "office facility" and an "eligible industry" within the meaning of the Act;
- (2) The Project is an "economic development project" within the meaning of the Act;
- (3) The Applicant expects to create at least 1,000 "new jobs" within the meaning of the Act;
- (4) The Applicant expects to invest at least \$771 million within three years from the date of issuance of the Bonds;
- (5) The Applicant will create new jobs that were not jobs previously performed by employees of the Applicant in Missouri;
- (6) The Project is economically sound and will benefit the people of Missouri by increasing opportunities for employment and strengthening the economy of Missouri;
- (7) The political subdivisions affected by the Project have committed significant local incentives with respect to the Project;
- (8) Receiving the credit is a major factor in the Applicant's decision to go forward with the Project, and not receiving the credit will result in the Applicant not creating new jobs in Missouri;
- (9) Awarding the credit will result in an overall positive fiscal impact to the State;
- (10) At least one other state was considered by the Applicant for the Project;
- (11) The Department has confirmed that a significant disparity has been identified, using best available data in the projected costs for the Project compared to the costs in the competing state, including the impact of the competing state's incentive programs, as described in the Act; and
- (12) The Project will promote the economic welfare and the development of the State, and the issuance of the Bonds by the Board to pay the costs of the Project will be in furtherance of the public purposes set forth in the Act.

**Section 2. Preliminary Approval of Project and Declaration of Intent.** The Board hereby preliminarily approves the Project and determines and declares the intent of the Board to finance a portion of the cost of the Project out of the proceeds of the Bonds of the Board to be issued pursuant to the Act in a principal amount of approximately \$10,322,700. If for any reason the Bonds are not issued and sold by June 30, 2019, the provisions of this Resolution shall be of no further force and effect, and neither the Board nor the Applicant shall thereafter have any rights hereunder against the other except that the Applicant will reimburse the Board for all out-of-pocket expenses incurred by it and by its counsel, if any, in connection with the preparation of documents at the request of the Applicant.

**Section 3. Terms and Provisions.** Subject to the conditions of this Resolution, the Board will (i) enter into a trust indenture with a bank or trust company selected by the Board, as corporate trustee, pursuant to which the Board will issue the Bonds to pay the costs of financing a portion of the Project, including repayment to the Applicant of advances made by it in connection with the Project, with such maturities, interest rates, redemption terms, security provisions and other terms and provisions as may be determined by subsequent resolution of the Board in accordance with the Program Guidelines; (ii) enter into a financing agreement with the Applicant which will enable the Applicant to provide for the purchase, construction and equipping of the Project, pursuant to which agreement the Applicant will make payments sufficient to pay the principal of and interest on the Bonds as the same become due and payable; and (iii) to effect the foregoing, adopt such resolutions and authorize the execution and delivery of such security agreements and other instruments and the taking of such action as may be necessary or advisable for the authorization and issuance of the Bonds by the Board and take or cause to be taken such other action as may be required to implement the aforesaid.

**Section 4. Conditions to Issuance.** The issuance of the Bonds and the execution and delivery of any documents related to financing the Project are subject to (i) approval by the Board; (ii) approval by the Applicant; (iii) approval by the Department; (iv) obtaining by the Applicant of any necessary governmental licenses, permits and approvals; and (v) agreement by the Board, the Applicant and the purchasers of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project.

**Section 5. Authorization to Proceed.** The Applicant is hereby authorized to proceed with the purchase, construction and equipping of the Project, including the necessary planning and engineering for the Project and entering of contracts and purchase orders in connection therewith, and to advance such funds as may be necessary to accomplish such purposes, and, to the extent permitted by law, the Board shall reimburse the Applicant for all expenditures paid or incurred therefor after the date of the adoption of this Resolution, but solely out of the proceeds of the Bonds.

**Section 6. Sale of the Bonds.** The Board shall sell the Bonds, but only on a firm underwriting or purchase basis, to such investment banking firm, financial institution or institutional investors as the Applicant shall obtain and the Board shall approve or to the Applicant. The sale of the Bonds shall be the responsibility of the Applicant.

**Section 7. Limited Liability.** Any provision hereof to the contrary notwithstanding, nothing herein contained shall be construed to impose a charge against the general credit of the Board or to impose any pecuniary liability upon the Board except with respect to the proper application of the proceeds to be derived by the Board from the sale of the Bonds and of the revenues and receipts to be derived by the Board from any financing, leasing or sale of the Project. Nothing herein shall be deemed to restrict the Board or the State of Missouri or any agency or any political subdivision thereof in determining the order or priority of the issuance of bonds by the Board or to require the Board to give the

Bonds priority as to issuance or as to the time of issuance over any other bonds previously or subsequently approved by the Board for issue.

**Section 8. Further Authority.** Counsel to the Board, together with the officers and employees of the Board, are hereby authorized to work with the Applicant and the purchaser or purchasers of the Bonds, their respective counsel and others, to prepare for submission to and final action by the Board all documents necessary to effect the authorization, issuance and sale of the Bonds and other actions contemplated hereunder in connection with the financing of the Project.

**Section 9. Effective Date.** This Resolution shall take effect and be in full force immediately after its adoption by the Board.

**ADOPTED** by the Missouri Development Finance Board this 21st day of June, 2016.

**MISSOURI DEVELOPMENT FINANCE BOARD**

By: \_\_\_\_\_  
Chair