

**CITY OF BRENTWOOD
SPECIAL BOARD OF ALDERMEN MEETING
MINUTES**

**City Hall
Council Chambers**

**February 6, 2012
7:00 pm**

Mayor Kelly called the meeting to order and led with the Pledge of Allegiance. Roll call was taken with the following members present: Alderwoman Clements, Alderman Marshall, Alderman Leahy, Alderman Kramer, Alderman Wynn and Alderman Harper.

Staff Present: City Clerk/Administrator Akande, Director of Planning and Development/Asst. City Administrator Rottjakob, City Attorney Albrecht, City Treasurer Rynders and Interim Executive Secretary Rutkovitz.

Absent: Alderwoman Krewson and Alderman Robertson.

CONSIDERATION AND APPROVAL OF THE FEBRUARY 6, 2012 AGENDA FOR REGULAR BOA MEETING

Motion was made by Alderwoman Clements, second by Alderman Leahy to approve the Agenda of the Regular BOA Meeting of February 6, 2012 as submitted. All in favor none opposed.

CONSIDERATION AND APPROVAL OF THE JANUARY 17, 2012 BOA MEETING MINUTES

Motion was made by Alderman Wynn, second by Alderman Marshall to approve the Minutes of the Regular BOA Meeting of January 17, 2012, as amended. All in favor none opposed.

Alderman Kramer requests a correction to the January 17, 2012 Minutes on page 21, third paragraph, line 3 was commenting on Saint Louis County not living up to the agreement that they have been renegeing on and the word that is printed here is "remitting." So we need to replace the word "remitting" with "renegeing."

Mayor Kelly, could I get a motion please. Motion is made by Alderman Wynn, second by Alderman Marshall to accept the Minutes as amended. All in favor none opposed.

PUBLIC HEARING – PROPOSED CLD BRENTWOOD REDEVELOPMENT AREA DEVELOPMENT PLAN

Mayor Kelly announced that we are going to have a public hearing tonight with respect to the Drury project and the Redevelopment Corporation 353 Corporation. So at this time it is now

five minutes after seven, I am going to open the public hearing, but before we open up to public comment we will have a presentation. Ellen I will turn it over to you, thank you.

Ellen Rottjakob, thank you, the public hearing tonight will include a presentation from some staff and also from the developer and the developer's team. We will also have speakers representing the City; Larry Marks with Development Strategies, they are working with the developer and have put together the blight study and will go over their findings. Then Jim Lahay with Stifel Nicolaus & Company, the city's financial adviser, will also present an analysis of Drury Development's request for public assistance. I would like to start off by giving an overview of the history of the project, since this has really been under way since the middle of 2008. I thought it might help to catch everybody up. Initially we were approached by a couple of different property owners in the redevelopment area. They asked the City to initiate an RFP process. The City issued an RFP in October of 2008. We received proposals from two developers, Pace Properties and Drury Development Corporation. For the selection process we started with developer interviews, staff initiated that, and then the developers made presentations to the Board of Alderman and then finally, the selected developer was Drury Development Corporation. The basis for the decision to select Drury as the preferred developer was based on their conceptual site, which included a hotel and an out-parcel restaurant. The City and staff considered the fact that the development would be developer owned and operated, self financed and it was clear that they would not require a tenant lease-up before being able to start development. Since it was a hotel they would own and operate and that was appealing. They were the selected developer and then once the developer selection was complete, then it took another approximately two years for the developer to acquire the necessary property for the project. All of the necessary property has been under contract as of the fall of 2011. All of the property has been acquired through negotiations with the property owners. When the developer contacted the City to let us know that they had the necessary property under contract, the Board of Alderman met in September of last year to discuss the project status and then next steps. Finally, the blight study, fiscal impact statement and development plan was submitted to the City on January 4, 2012. Staff reviewed the proposals and then forwarded the proposal to the Brentwood Redevelopment Corporation, which is a recommending body to the Board of Alderman. The Brentwood Redevelopment Corporation met two times, once on January 5th and then on January 19th to review the proposal and ultimately they recommended approval of the proposal unanimously. So at this time I would like to turn things over to Larry Hasselfeld, who is Vice President and Chief Financial Officer for Drury Development Corporation. He is going to provide some additional description of the project.

Good evening. Ellen just about took care just about took care of my presentation. I am Larry Hasselfeld as Ellen said. Along with me here tonight is Jim Mello who will give a brief presentation on development plan itself and George Stock who will get into an overview of the site plan and a few of the challenges that the site itself presents. We do thank you for consideration of the redevelopment plan tonight and we would like to take just a step back, as Ellen stated in her overview of this project, and look at where this site was just about three years ago. Can we put that first slide up? (Overhead projection slide showing the site is

presented). It may bring back some bad memories as it is already cleaned up a little bit with what MODOT took down but that gives you a feel from the scenario from about 2008. I got a toy here (laser pointer), I can use. Obviously the retail as shown here, the office building, I think it is called the Rothman building as shown here the doctors medical building shown here and this area was the MODOT parcel. The next slide shows this from aerial view which gives you a flavor for the site. Brentwood Boulevard here comes up to Eager Road right here. The current access to the site at this point does pose a rather difficult access because it is so close to that right turn. The Agnes Street as shown here on the East-West, is a public street but it dead ends at the creek at this point and there is no circulation on the side at this point. That is how the retail exists and enters and is also how the office building exits and enters at that site. What we are proposing for the corner at this point and this is the plan that has been submitted to the Planning and Zoning Commission and will be reviewed later this month, is a 210 room Drury Inn & Suites at this location and a restaurant pad. The restaurant is not yet identified. But we do have a level of interest and we do not anticipate having any issues in getting a good user for this site, which could be up to an approximately 8,000 square foot restaurant, it might be smaller than that. The planned proposes to improve Agnes starting here. It cannot be widen because of limitation on both sides of the street, but we will improve the road itself as well as widen it slightly at the point shown right here. We will have a re-located entrance. We think this is very important for both our development and possible future thoroughfare here to move that further down right up next to Black Creek at this point. We are asking for a full movement in and out at this point and we are working with the City and Saint Louis County trying to make sure that occurs. It is a very important part of the project. This will then have through access back to Agnes which will allow for a future connection, we all hope, that would end up going down to Rose Avenue. This site is under control by contract, so Drury has a right to purchase it. We met with the doctor's office owners several times. The meetings were very solid and we have agreed, I think, to be very good neighbors to each other. So I think that is going to work out well. The site also contains in this location right here about 90 parking spaces, we like to call it lower level, underground at that point, which will be good spaces for both the hotel and restaurant. We have a side step right here that the restaurant user can park up fairly close to the front door of the restaurant, and the exterior of the project. We have made just a few changes to what we had shown you before. This is the newest version we have of the Drury Inn & Suites. It's a fairly standard hotel with a rounded exterior on the front, is an eight story building with 210 room units. The restaurant, which is shown here is just an example of what a restaurant might look like, it's not representative of any particular restaurant. I am here, of course, for questions if need be. But we really appreciate your consideration of the plan. This is a very important corner for Brentwood and it's an important project for Drury. It doesn't seem that that it could possibly be three years, as Ellen said, but it has. The first two (years) there were a few issues in trying to get the site under control, but that came together last fall. And we are really looking forward to this and Drury remains committed to getting this project developed. With your approval of the development plan it is in our plans to be able to start construction of the project still this summer.

Good evening, my name is Jim Mello, and I represent Drury. I have been asked to speak for a few minutes about the specifics of the development plan itself. As Ellen pointed out, there was

an RFP process that was done back in 2008 and part of that RFP process was a recognition by the City that given the challenges on the site, which Mr. Stock will go into greater detail, but a lot of the problems with the site are pretty self evident. The hodgepodge of property ownership, the flooding problems, and the traffic access problems has shown that the site was challenged. Part of the RFP process recognized and set forth that the City would consider the full range of incentives that would be available in order to put together a successful project. Drury's proposal to the City three years ago is essentially the same proposal that was made at that time. It's up a few hundred thousand from a range of about 5.5 million or 5.4 million to 5.75 million. Our request for assistance at this point is \$5,750,000 on a \$35,500 million projected project costs. What we have sought to utilize is Chapter 353, which would provide for 100% tax abatement for the first ten years and then 50% tax abatement for an additional fifteen years, which is different than TIF where it's one hundred 100% total growth for up to twenty-three years. We will keep the current assessed valuation as a base, whether that's in the increased value of the underlying property when it's reassessed when the MODOT property goes off the tax exempt rolls and then gets purchased prior to tax abatement being put in place. But under any circumstance we will continue to pay the current taxes that are being paid on the site. Then of course, after ten years the taxing jurisdiction would start realizing fairly significant increases in taxes off the site. Our intent is to have that tax abatement go to net operating income from the project, so we are not monetizing the value of the tax abatement. We estimate it to be approximately three million dollars on a net present value basis. It could be higher or lower, depending on what the county assessor does with the assessment of the property and what taxing jurisdictions do with tax rates, but our projection is around a three million dollar monetized value of that tax abatement. That risk or that value is something that, since it is part of operations, is a risk to Drury. It's not something that gets monetized in the bonds that somebody buys or becomes an issue in that regard. The additional \$2,750,000 would come from a variety of sources, what we typically call economic activity type taxes. That would be a portion of the City's incremental increase in sales tax increases from the site, similar to a TIF, where a TIF would capture 50% of the City's sales tax. We are asking that 50% of the City's new sales tax on that site be directed to parking and other public related transportation issues on the site. We additionally asked for 1% that would be allowed for transportation development district sales tax on our site; tax ourselves to generate money for the parking structures and the parking and the traffic work that we have to do. Then also put an assessment on our rooms, you have probably seen that before wherever you go. My favorite one is going to Boston and paying thirty two dollars for the big bed that didn't work out so well. But anyway, there would be an additional slight charge, it's only a dollar per night per room, but would be an additional assessment in order to raise additional monies and together the aggregate of that would be 2.2 million 750 thousand dollars which would be funded and financed through the transportation development district. Once that amount was paid off then the City would keep 100% of their sales tax and then we would do away with those special taxes on ourselves. It's important to note that Drury intends to hold that note and is not going to seek a public financing of that note, so the risk stays with Drury. As Ellen point out this is going to be owned and operated by Drury, that's their intent and so it's not a typical merchant development type situation. We would envision holding the note and it would not be an obligation or anything that we would have to work with the City on in terms of financing. That

is essentially what our request is. We had discussions with the school board members and of course, their representatives on the City's Redevelopment Corporation. So we have tried to be proactive in having those discussions and we think that it's taking a corner that we all know has been severely underutilized, a total black eye in terms of appearance when coming into the City of Brentwood. A tax exempt property controlled by MODOT and I think, as pointed out by Larry, will turn it into something that's going to be a nice entry feature for the City of Brentwood. I would be happy to answer any questions later on. We also have with us tonight, Chuck Drury, president of Drury Hotel.

Good evening Mr. Mayor, members of the Board, for the record my name is George Stock and I am with Stock & Associates Consulting Engineers, the civil engineers working on behalf of Drury. Relative to the site you are all very familiar with it. Ellen did a nice job describing the existing conditions; Larry captured that and went through the site plan. I think that what our role as the civil engineer is really to develop the site, such that it is feasible and sustainable and that really relates to the access, the utilities and the overall storm water management. The site is unique, it was described as multiple parcels, there is a street and there three alleys that bisect those that need to be vacated not only by City but by the utilities that are there. The access is very marginal today. There is a full curb cut on Eager Road, but it's to the West on the site and today it works for the limited amount of traffic that's coming there. But it's not safe and with the support of the City and the City's traffic consultant we have had several meetings with Saint Louis County and we are pursuing shifting that full access as far to the East adjacent to Black Creek and requesting full access and in addition even hoping signalization there, so that's in process. Agnes Avenue which intersects with Brentwood Boulevard, as Larry mentioned, is narrow and can't be widened. But it is wide enough to meet the City's requirements for street widths. We are proposing some modifications close to Brentwood where it's twenty inches to widen that. But we are also going to elevate it. Part of the problem with Agnes is that it floods. It does not have effective drainage. It's basically flat, it's dilapidated and some part is lower than the hundred year floodplain. So we intend to improve that and create an inter-connection and a thoroughfare along our West property from Agnes up to this point on Brentwood Boulevard and then someday that could possibly be extended to Rose Avenue. One of the unique characteristics of the site is it floods. I have heard that several times and it floods from two different directions. Black Creek is along its eastern border, comes through two large box culverts, which really open up at the Galleria and then flow from the north to the south. On our side of the property there is a low retaining wall. The Promenade has a retaining wall on its side. What happens is that retaining wall is over top and the water comes into the property. So you have the head waters coming from underneath Eager Road and the Galleria, which floods the property and floods Agnes Road. In addition, there is not effective drainage at the intersection of Eager and Brentwood. When I say not effective, I think that the system that was designed there, was designed in accordance to Saint Louis County's requirements for a certain storm event, a fifteen or twenty year event. But we get storms larger than that and when those storms are larger what happens is the water comes over the curb and then it runs diagonal across this property in a southeast direction and back over Agnes and out into Black Creek. So our proposal is to mitigate that with the development and raise the site with approximately ten thousand yard of material. A part of that we are going to

rework on site with the underground garage. But elevate the building such that the finished floor is at 476 feet. 467 feet is about 12 to 12-1/2 feet above Black Creek. So at the site instead of falling from the intersection of Eager down to the creek, the building will be up 2 to 3 feet above the intersection. So the parking lot will slope away. We are going to access the garage from the west side. I think in previous presentations we had shown the east side. In trying to further elevate the building, we moved the access to the west side allowing us to raise the lower level of the garage an additional 2 feet in order to protect it, not so much from Black Creek, but because of the other challenge with the site, there is a combined 42 inch storm system that is coming from north Clayton and runs through the property. So it's going to be very expensive, we are going to have to relocate that basically from Eager Road running along the west side of our property and tie it back into Agnes. So I would say that it's not an ordinary expense associated with a development, where you are taking a combined sewer, relocating it and you're rebuilding a street. Not just the street in its current condition, but we are going to elevate that street about twelve inches for the flooding conditions and then we are going to create an over flow for the water that comes across our site to keep it in the gutter of Eager Road to where it comes into Black Creek and able to discharge into Black Creek. So relative to additional utilities that describe the sewer, the other is water. There is an insufficient water main that's in Agnes, so there will be a new water system that's put in and looped around the Drury Plaza. So I think that along with the storm water, along with the combined sewer and the sanitary sewer, creates some unique challenges for this site. But I think that the site plan that we have developed has gone through a number of iterations. We will be presenting it to the Planning Commission on Wednesday night and I think it addresses all those issues such that we have a site that is sustainable, meets the ordinances of the City of Brentwood, addresses issues with MSD and NDR and I know the City believes this is important relative to environmental cleaning of the storm water and actually reducing the amount of storm water through best management practices and rain guard retention within the site, If there are any questions, I am happy to answer those or a little bit later in the meeting. Thank you.

Mayor Kelly stated that we are going to get through the presentation and then get to the public comments. Larry, are you next?

Larry Marks, with Development Strategies. We were hired by the City to undertake a blight analysis for this property. That's one of the findings that the Board will need to make. At your seat each one of you should have a summary handout, of our blight findings and I would like to briefly walk through that with you. On page 2, which is the first page you see there, gives you an aerial view of the property in question that's to be blighted. Its 4.6 acres and as you can see there it includes six parcels. Two of them are right up there at Eager and Brentwood Boulevard, then the Ultimate Bride and Rothman building and then two for the proposed extension between Agnes and Rose. Then the rest is in right-of-way and the MODOT property is actually classified at the current time as a right-of-way. The MODOT property itself contains about 3.54 acres out of the 4.6. By far and away, the majority of the property we are talking about is the abandoned MODOT property. On the next page you will get an idea of the land uses that are there, the gray area that you see is the vacant MODOT. That's 60% overall of the property. You can see the blue indicates the Black Creek drainage area. The little green on the other side of

the Black Creek is vacant undeveloped property. There are two parcels that are developed, as you know, the Ultimate Bride and the Rothman Building. Those two contain about 6% of the property that we are talking about. In effect, that and then the surface part you see in orange, that's another 12%. So 18% of this property has some form of development, so it's significantly underdeveloped and we will talk about that a little later on. Then on the next page I have sited what the definition is of a blighted area under Section 353, that's the Statute that we are looking at here as Mr. Mello talked about, and it states that a blighted area is that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes. So briefly, what I will walk through is how this particular redevelopment area meets these criteria. On page 5, the age of the existing buildings is at least forty-eight years old, with the average being fifty-four. The Ultimate Bride was built back in 1949, so it has been around for quite awhile and the Rothman goes back to 1963. The planning is definitely obsolete. The little green dots up in the corner, Eager and Brentwood are very small parts that don't even meet the minimum standard for a parcel. The other green dot to the south of Agnes, that's actually part of the larger parcel in the Promenade. It's subdivided by the creek, but its all part of that larger parcel. So again, this does not meet the standard requirements for a parcel. Again, the MODOT property is obsolete, it's abandoned and according to the zoning it should at least have one hundred and fifty feet of depth and there is nowhere near that on the vast majority of these parcels. The outmoded design, that we already talked about, you can see on the study as dash-circles, is the access from Eager Road to this site which is far too close to Brentwood and right on the curb and it's a dangerous situation which is another blighting factor. We have already talked about Agnes and if you know, it literally dead ends and you can't turn around at the end right there at Black Creek. The alleys that are present behind the Rothman Building and the Ultimate Bride, maximum of fifteen feet, is an inadequate turning radius right there at the corner. It's really dangerous, it's really a blind corner and that's how a number of people have to access this particular area. The alley that runs between the Ultimate Bride shop and Rothman is a steep alley and once you get up to the top it's simply a dead end when you hit Brentwood Boulevard. There is lack of dedicated public access to some of this parking area. The alleys have been abandoned, lack of accessibility entry for ADA in terms of the Ultimate Bride, lack of sidewalks and inaccessible sidewalks along Agnes. The site is primarily physically deteriorated throughout, with poor parking conditions, the vegetation and the fence that is around MODOT is in poor condition. But there is also some deterioration of the existing buildings that are already there. Then on the next two pages there is simply some existing site conditions on page six and then on the next page, the building conditions, with lack of access and some deterioration of the buildings. Ultimately, this leads to an economic liability. There is significant underutilization. If you take a look at the redevelopment area that is on page eight, it's surrounded by existing development from the Promenade, the office buildings, the Villas and Brentwood Square, so this is a critical commercial opportunity that simply is underutilized. It also has a negative impact on the development that's around it. You have obviously expended a significant amount of money for the new fountain and new entry to the City of Brentwood. This is an important gateway to the City and high visibility of Brentwood from

Highway 40-64. But as indicated there is significant underdevelopment. This results in a lack of tax revenue for public services, fire, police and others services as compared to what could be developed. Then on the next page we talked briefly about the social liabilities and one of the issues that George Stock referred to, and you can see in this hatched area, 53% of this area is in the floodplain of Black Creek. Also, as George indicated, there is some run off that occurs from Brentwood and Eager as well. This is a difficult and expensive situation to deal with and there have been proposals to eliminate these problems. It's also, as we talked about before, a danger from the Eager Road entry, the lack of turning radius for fire truck access and fire potential resulting from the age of the structures. The MODOT property, if you have been out there, is very uneven and dangerous if you are trying to walk there, the vegetation is growing over some swells and you really don't know where you are going and what the condition is. A lot of this is open for anybody to move across if they wanted to and that could be a problem. Also, as I previously mentioned, lack of compliance with ADA regulations.

Finally, on the last page we talked about 86% of the property as it currently exists, there are no taxes being generated at this critical location for the City of Brentwood and since 2006 the value of the improvement on the property has actually declined by 7% and the overall total assessed value is only about three-fourths of the City's average in terms of what's happened since 2006. Virtually all of that, obviously, has been with the decline in the improvements. All of that is simply because that fact that the land has been increasing in value, but certainly the improvements have been declining. Because of all those reasons this area is clearly, in our opinion, blighted per the 353 definition.

Yes, good evening, I am Jim Lahay, senior vice president of Stifle Nicolaus & Company. The City asked us to review the proposal from Drury and to help evaluate the request for public assistance. And certainly in the context of other Brentwood projects, such as Brentwood Square, Promenade, Hanley Station and Meridian as well similar developments throughout the community, which we did. There is a letter that was sent to the City Administrator that she should have a copy of, but if I might take a minute, if it's ok, just to summarize some of the key points. The request has already been gone over this evening, so I wouldn't go through the details of that. Just for clarification, there are two parts to it and I understand it is easier to think of it that way. The 353, the tax abatement and the other requests as Mr. Mellow indicated is for the sales tax side of it. You have the 1% TDD tax, the \$1.00 per room per night and a request for a portion of the City's of sales tax as generated by the project. That is the two parts to it if you think of it that way. I wanted to just comment on a couple of things, one is that the City has had a track record of working in partnership with the private sector to make many of these projects in the community happen and I might add, that you've had a very successful track record in doing that. Those projects have a dramatic positive impact on the economic development within the City. You also have policies that over the years as you have considered these projects that you have you've developed over time, some of which where there from the outset and some of which you have farmed as time went on. One of the key ones is that while things like tax increment financing have a 23 year statutory life, TDD's usually are for 40 years, tax abatement 25 years. Your policy has been traditionally to evaluate these projects in the context would they be projected if we provide this assistance. Would they be

projected to pay off within fifteen years? And again, the key word is projected. Most of your projects, quite frankly, today have been successful in beating that goal - fifteen years. Some might take a little bit longer, but your policy was to have a projection of fifteen years. You also have worked with firms like us and Develop Strategies; Mr. Marks was just up here to help evaluate the project in the context of looking at the projected revenues as projected not by Stifle Nicolaus, not by you, not by the developer, but by an independent party. In this case Development Strategies can help us analyze that request and so that's also been your policy. Then typically we, Stifle Nicolaus, come in and we help do the actual analysis to determine if it looks like the request is reasonable and to determine if the goals that you have set for these types of projects would be met. In this case I want to make a couple of points. One is that the overall project, which was described earlier for you, is a \$35,500,000 project, at least that's our understanding and we have seen that within the budget. So the request of \$5,750,000 if you do the math, that's about 16%. I will tell you that projects in Brentwood and other neighboring communities typically have looked for public assistance somewhere in the 15% to 50% range. Now I know that's a big range, but each project is different, each project has challenges. Under any circumstances 16% is at the low end of the request that we typically see for public assistance. The other point that I want make, in the request, the developer has asked for 50% of the City's two and half local sales taxes. Your local sales taxes are comprised of a 25% fire tax, 50% parks tax, 1% general fund, 25% local option and 1/2% capital improvement tax. Two of those taxes, the fire and the parks tax, could not be dedicated to this project, so we know that and I think the developer understands that. So what you would keep of those taxes generated, you would keep all of those local. If you wanted to meet the request you would give approximately 72% of the other three taxes. So I just wanted to again, point that out.

The other thing is that Drury has maintained that their internal rate of return, which is important for evaluating these kinds of requests, to be 8%. However, we at Stifle Nicolaus do not have any information with which to prove or confirm this to you. I can't sit here tonight and tell you I have looked at all those documents. I have no reason to question it based on what we have seen. I will tell that most projects in Brentwood were normally designed to be 9% to 10%. Not 8%. And in today's market with the challenges, the requests we are seeing is in the 10% to 12% range. Again, my opinion, the internal rate of return here with the public assistance again is at the low end of what we typically see. Again, a lot of assumptions we used in the analysis, I won't go through all of them, but I will mention a couple and just kind of give a sense of the sensitivity of it as you continue to think about the request and move forward with it. In their numbers they used a 2% growth rate. If we surveyed everybody here, everybody would have a different view of what everybody thinks is realistic. Two percent is certainly a reasonable number to use. Sometimes when we do bond issues, we use no growth, others we use 1% or 2% growth. It used to be, years ago, we would use 3% and 4% that Development Strategies would use and that would be normal. But given what we went through in 2008 and the way the world has changed, 0 to 2 percent is probably a realistic growth rate to assume. But to give you a sense of what that means, for each half percent, in other words if you didn't believe two percent, let's say you were comfortable with 1% and a 1/2%, if that was your view, if you try to redo the numbers and used only the 1-1/2% rate rather than 2%, it would affect the analysis by about \$75,000. So if you believe in 0% growth rate that would be about

\$300,000. Again, in their numbers, again which we concur with, we don't have any disagreement with the numbers that they provided to the City. One hundred twenty debt service coverage with a payout over seventeen years, if you decided that you didn't like one hundred twenty coverage, and I do have a comment about that, and you wanted to make it fifteen years, the impact would be about \$200,000. If you went from 120 to 130, 17 to 15, that's the math of it, it just the math of doing that. Again, I think in the way this proposal is structured, keep in mind many times what happens is a developer comes and asks for protection for its financing. Typically, what happens is they borrow the money to do the project and then once the project is complete bonds are issued. In this case they are asking for tax abatements, so they want cash flow over time. So if it turns out, as Mr. Mello indicated, their contemplating that that will generate about \$3,000,000. I understand how they got to that and I generally agree with that \$3,000,000. If it turns out though, as they point out, that it only generated \$2,500,000 then that is their risk. Again, keep that in mind, that they are accepting a lot of risk here by structuring this way they. I am not being critical of it at all. I'm just saying it's actually good for the City because it's their risk not yours. Second of all, the sales tax, the 1% add on tax of \$1.00 per room per night, they obviously feel that their project will support that. They obviously do a lot of this type of thing throughout the area and throughout the country, so they have a comfort level of what the sales will be and they believe that the users of their hotel and the restaurant will not be negatively impacted by those add-ons. Those are my comments, we believe their request is certainly reasonable and certainly within projects that this City has considered in the past and approved in the past. Thank you very much.

Mayor Kelly, Jim could I just ask you one question before we open up the public? Jim responded "sure." Mayor Kelly continues - it with deals rate of return because I think that is a number a lot people understand. If they as developer are proposing an 8% rate of return which again is conservative, and then there sales end up being higher, they actually have a higher rate of return, but overall that would be good for the project because that would just pay off that portion, the 2.75 faster. Jim responded, "Yes." Mayor Kelly continues - so it would be a good thing, again it's good to be conservative, but if it's higher than that it's actually good for the project and the ultimate payout. Jim responded "yes." Mayor Kelly - OK, I just wanted to clarify that. Ellen, I will turn it back over to you. Thanks Larry.

Ellen Rottjakob, before the public hearing begins on the presentation, I just wanted to go over the Redevelopment Corporation's consideration of the proposal. The Redevelopment Corporation for the City of Brentwood consists of elected officials - Board of Aldermen, also Planning and Zoning Commission members and the Brentwood School board members. Again, they met twice, on January 5th and January 19th to consider the request for public assistance for this project and the blight study. I wanted to go over why they are involved as a recommending body for this and that is because the City because of the City's 353 Ordinance provides that when a redevelopment plan is submitted by a redevelopment corporation, other than the City's Redevelopment Corporation then our City Redevelopment Corporation actually reviews it and makes a recommendation to the Board of Aldermen. So they have completed that and they adopted a resolution at their January 19th meeting and real quickly I just wanted to go through their findings and their recommendation. The findings are that the

redevelopment area qualifies as a blighted area pursuant to Chapter 353, subject again, to the final determination by the Board of Aldermen for the reason described in the blight study. Also, if the development plan meets the requirements set forth blighting and redevelopment procedures ordinance and that due to the blighted conditions of the redevelopment area tax abatement available under Chapter 353 and/or other economic redevelopment incentives will likely be necessary to redevelop the redevelopment area. The recommendation to the Board of Aldermen is to declare the area as a blighted area, as that term is defined Chapter 353 and to approve the development plan and negotiate and execute a redevelopment agreement with the developer regarding the partial tax abatement and other incentives that are contemplated in the development plan. They did adopt this resolution unanimously. Thank you.

John Gepert, I am president of the Brentwood Redevelopment Corporation. There is just a quick clarification I wanted to make. One of the things that we do not do at the Redevelopment Corporation is review the site plan. So some of what you saw on screen as it regards the traffic flow, the nature of the building, all of that is not handled by the Redevelopment Corporation. That's handled by Planning and Zoning Commission. So this is not an approval of the entire project, it is simple an approval of limited issues dealt with here.

Mayor Kelly, One other distinction I'll make before we open up to the public for your comments, I appreciate everybody's patience, this is great information and everybody needs to understand that. But I think it is a distinction that we establish here in Brentwood with our 353 Corporation. Under state statute it could have been established as kind of a separate body that could actually grant tax abatement on its own. When we establish the 353 Corporation here in Brentwood we made it an advisory committee in that they would review and analyze the request for assistant and then make a recommendation back to the Board of Alderman so that this body had to make had to make the final decision. I think that is a distinction and a check and balance that we have here in the City of Brentwood which is good and that is why we are going through this process.

HEARING OF ANY MATTER OF PUBLIC INTEREST UPON REQUEST OF ANY PERSON PRESENT

Mayor Kelly, at this time again, I would like to open up to anybody in the public, if you would like to comment with respect to the 353 Corporation for the recommendation of the assistant for this project, please come forward and give us your name and address.

Karen Smith, 8930 Harrison, I appreciate all of the presentation here this evening. I would just state from my perspective I do strongly support development in Brentwood, I like to see it happen. I personally though am one that prefers to see it open in the open market without all these tax vehicles and incentives. I am not sure whether these taxing vehicles sustainable. There has been a lot of informal surveys, most recently done in the business journal and I think that the public is becoming is weary of them. So I would just caution us to think about before we enter into these. If I understand how this works correctly, that there will be tax exempt bonds and it is going to be used for a profit operation. Most recently what happened the Meridian Development, I think this are very complex vehicles, I don't know that we managed

that one very well and there has been some real costs to our City as a result of that. I also thing that the Drury development, although it looks nice on paper, we are still going to have a parking lot that's going to be a major intersection entering into Brentwood. I don't know if it's going to be asphalt or concrete, or whatever is going to be in there, they might put a few trees and some nice shrubbery there, but they are going to have maximize there parking spaces to make that work. So we are still going to have a parking lot facing us as one of our key entry point into the City. If I also understand it correctly, the developer did pay \$4,500,000 I don't know it that is for all of the parcels, for some of the parcels and I question then how we can then turn around and bright something, even though you used that definition and even based on the report that was review, I am not sure that I would agree with everything that is in the report. There is always costs to a developer to do a development when they have to prepare property and prepare land for development, it's typically the cost of doing business from individuals that that are developers and consideration should have been given to trying to negotiate some of that costs of development into the price of the property when they purchase it. I do understand from some of the meeting that I have attended that Drury has presented has that they are very financial strong. So I question why they need to come forward asking for all this assistance. I know this Board recently when Walgreens was brought up, who is also a very strong financial strong company, and you question why they had to have special assistant to have a little box put on their properties to keep them through the Christmas season. I take away from discussion that Drury is a strong financially and I wonder why they need to come forward and ask for special assistance on this project. I do believe Drury is strong, but I am disappointed that they feel the need to ask for public assistant from our community. Thank you.

Jim Mello, just to clarify, there will be no bonds issued for the property. The request is for a tax abates on the property taxes, 100% tax abatement for ten years, and then 50% for fifteen years. The remaining 2.7 million, if I have my numbers correct, it would be actually notes that would the developer will take out. They will hold those notes and then the sales tax portion from the project would go to pay any room assessment to TDD and would then go towards paying those notes down over a period of time. Again, that risk falls on the developer which makes this property a little more distinctive, because it will be owned by the developer, managed by the developer and so they are taking the risk The developer will, one, the value of the property from the property tax point as well as the revenues that they project to pay down those notes over a specific period of time. And that is an important distinction.

Maureen Saunders, 2326 Park Ridge. These are just a couple of questions, one I do appreciate that we didn't give the Redevelopment Corporation the ability to do the abatement on their own, that it had to come before the Board, I do like that you did. I just had a couple of questions, one, I have to reiterate and everyone here knows that I was not a proponent of TIFF's and TDD's, I wanted them to be used for the City, but that was ten to fifteen years ago and I just always remind people I which we hadn't gone down that slope and they would have used in the City of Saint Louis. That is also an issue in the state and in the city that they allowed the loop holes and they haven't tightened it up. Always keep it in mind so that next we are presented with tools we think about the bigger picture and whether we want to go down that

slope. With regards to this project and this will be for the Planning and Zoning Commission. But I am going to ask you here to keep in mind. But are the hotels sides rounded like they are in Chesterfield? I was out there, driving past it, and trying to look at it. I didn't have time to stop in but I noticed that but I couldn't tell from the drawing. On the underground, I did go to the Planning and Zoning Commission site plan review meeting. Is the underground for just parking? Because you kept referring to some space underground, and maybe I misunderstood at that meeting. But is it just parking or is there any other usable space below ground? Then the revenue projection we use a consultant and a financial analyst the city hired? Is that then development strategies that did that report and the financial study? I know they did the blight study, but I didn't see a copy of that and I was just a little bit curious. Naturally Drury wants it to be successful, but there is talk of the hotel going in across from the Galleria and just how the Marriott Residents Inn is doing. I know that is a different type of hotel more for longer stays. The other thing is with the rate of return, I know 8% is conservative and may be this is not the place and me understanding this correctly, but if they are considerably more successful which is a benefit to us, we'll get more tax, but there is way to put a clause in that perhaps we could shorten the duration of the property tax abatement. I know it's fixed for ten years at 100% and 50% for the next fifteen years. But if it's much more successful is there any way we could put a clause in so that City will get a little boom from that to? I just wanted to make those suggestions. Thank you very much.

Mayor Kelly responds with respect to the tax abatement that is separate from the sales tax portion or the other revenue generated portion of the project. With respect to the other hotel here in Brentwood, Marriott at Hanley Station, it has been very successful. It is my understanding that they are over 80% occupied since it has been opened. At good hotel is about 60%. So they are very happy, I think, I don't want to speak for Drury, but when they hear those numbers that's one of the reasons they would like to be here as well. It's a good location, the price points are a lot different than the hotels in Clayton, which is one thing that has made it successful. I believe everything underground is parking, with respect to what they are talking about within that project. And the other issues I think we have to just that them to planning and zoning to the actual architecture of the building. I will handle those and I will say we have a very good planning and zoning and I have said before here at the Board of Aldermen they do all the work and we get to take the credit when we pass it when they make the recommendation to us. They do a very good job at that. Any other questions?

MAYOR KELLY CLOSSES THE PUBLIC HEARING

Mayor Kelly, it is 7:59 p.m. next item on the agenda, bids? Alderman Kramer asks if we could ask some questions. Mayor Kelly, Oh sure, I should have opened up to the Board, I'm sorry.

Alderman Kramer, yes your honor, I understand that we really do not have a synopsis for this process, can we in laymen's terms go back and explain this so that the residents understand what we are going to be looking at initially, then the site development plan and the condition use permit application and eventually the development agreement. You have kind of given a thumbnail of each of those and the functions.

Mayor Kelly responds firstly again, good point, as stated before the whole project from stand point with the Planning and Zoning Commission. There will be another public hearing for their site plan because this project will require a conditional use permit so there will be another public hearing specifically related to the site plan itself. Then we will also be putting together a redevelopment agreement which will spell out at that point any assistance of the 353, spell that out in the legal document that then they board of Aldermen will adopt or not adopt. This will be done last. We usually try to do everything at one time. If there is any rezoning that has to be done, any vacating the alleys, any of those kinds of things that we would do all in one meeting so that everything is done appropriately.

Alderman Leahy states, if I may ask a couple of questions, just to get it in the record and to make sure that everybody is talking the same language. Jim Mello, if I can start with you, on the TDD arrangements that we are looking at? The redevelopment agreement covers the costs of what they are doing to the initial site or would that redevelopment agreement also allow for continual improvement, the water storage areas and maintenance of those to the point that TDD really wouldn't expire until costs expended and the revenue generated equal out to zero again, correct?

Jim responds I'll try to answer your question. The Transportation Development District (TDD), under state law undertakes certain transportation related projects, like parking garages, streets, traffics signals those kinds of things. Those have to be conveyed in some manner to the local transportation authority which in this case would be the City of Brentwood. The TDD by state law has to stay in existence until the cost of those improvements that were financed by the TDD is paid off. It would have to stay in effect and pay for those. Now whether there was some kind of a maintenance agreement that would be part of the agreement that we would work out with the City, whether those costs get allocated. But the capital costs themselves would be paid for or identified and once those costs were recovered then the TDD would expire and go away. You know I do all the TDDs, if it's three letters then I do it, but TDD is not a four letter word. Anyway, I'm just kidding. The CID (Community Important District), can be ongoing, kind of like the old business district type thing where they can have their own....TDD aren't like that. They can only do the capital improvement.

Mayor Kelly responds, and I think that is a distinction as more like a capital bond in that for street projects as you estimate the costs, you issue the bonds and when the taxes are collected to pay it off those taxes go away.

Alderman Leahy responds that clarification is what I am looking for so that we stay with the capital improvement to get everything into the facility of what's going on.

Alderman Leahy, George, if I may impose upon you a little bit. The largest problem that we have on this site is the reallocation of runoff of water to work with. In all of the plans you are looking at to propose, its one thing to manage your site of the runoff of the water. What do we do to make sure that by raising Agnes we do not adversely affect the backside of the White building and its parking or the Promenade on its side? Will we end up putting too much water

into Black Creek that we end up creating more flooding problems down at Manchester Road and Hanley?

George responds I think to answer the questions, there are two things, the first is we are only a small portion of Black Creek, less than four acres, so we are doing what we can as far as infiltrating and doing something different with storm water, not just continuing it, but we are infiltrating it so we are reducing the overall runoff. I think that the question came up at some previous meetings is that our site is inundated with water and intuitively people say if you remove yours you reclaim your from the flood plain are then adversely impacting. The best way I can describe it is we are not. Everything is developed downstream, I shouldn't say everything, I don't know. The FEMA maps regulate a 100 year elevation within Black Creek. Our development, what we need to be able to demonstrate to the City an MSD, is that we don't alter those 100 year flood elevations and/or change the character of the storm water. We have looked at the model; we've obtained the model from FEMA and have simulated the improvements that we are placing on the site. We have not seen a rise in the 100 year flood plain and we have not seen an increase in the velocity within Black Creek. I think where people struggle with that is they say well you site is carrying water right now. But what is happening is that there is not an adverse impact on Black Creek. Those elevations are not achieved, the 100 year elevations within Black Creek. So all we are doing is re-establishing the flood study that is already been adopted. It's not that old I think it was updated two or three years ago. So that study is something we have done in putting together our preliminary plan in order to demonstrate that there is no adverse impact along Black Creek, either upstream or downstream from our site.

Mayor Kelly responds that's a required MSD process.

George responds that's correct, absolutely. We are waiting for MSD to come back. The same package that we submitted to the City, we have a draft storm report, we submitted that to the MSD and we expect that soon.

Alderman Leahy responds we have city ordinances that don't allow you to change your elevations to adversely affect your neighbors and at this point we all know that as in the presentation Agnes does retain water and floods out at the very bottom there at Black Creek, but some of that water runs to the White Building and its parking lot. I don't need the White company over here to complain that we have allowed something to happen that they get more water and end up losing more spots.

George responds right, as you go south, a majority of the parking lots is above the 100 flood plain. In fact, may be all of the paved area is above. I know the grass areas between Black Creek and the paved area that is below, so you can see water like you can see on Agnes. I think the important thing that we are doing different or new on the site, within the last two or three years, is that we are not just continuing to the extent that the same quantity of water goes somewhere else. We're putting down in the ground where it evaporates so we are literally

reducing. But again, we are only 4 acres of a giant water shed of Black Creek, but we are improving the condition.

My last question, from Alderman Leahy, if I may continue holding the floor? Larry Marks, if I can get your help and I am going to yield I think a little bit to George also to work with. In the blight study that we have got in front of us, on page two, you show a portion of land that comes off of Agnes Road and continues coming Southward basically behind the White Building parking lot area. What I needed to get clarified is in the development that we are talking about in this whole site, we're staying with Agnes Road at that South border line and not coming down that line. I am not sure who owns that little portion out there and in the earlier presentation we where discussion the that little green dot referred to property that it might have been owned by the Promenade Group on the west side of the line.

Mayor Kelly responds, I am color blind, so bear with me, to two rectangles there, the one at the Northern section is actually within the boundaries that owned by the Promenade and the other one is White or Center Forty.

Alderman Leahy continues so when this Board deals with addressing the blight study, are these two parcel going to be incorporated in that request for the blighting so that may help give you the ability to negotiate a future extension into Rose Avenue? Or are those parcels actually going to be removed from all of this that we are dealing with just the construction site area that we are talking about.

Mayor Kelly asks Larry Marks, were they included in your blight study?

Larry responded, yes, they were included in the blight study.

Alderman Leahy continues what you are giving me here, what we are talking about is as we go forward are these parcels going to remain as part of the whole project area or is Drury cutting the project area just to within the site that they are developing at this point.

Larry Hasselfeld states that we were not able to obtain control of those parcels. We would suggest that the blight area would be Agnes Road on the South to work with.

Alderman Leahy continues what I am looking at is in the blight arrangement if we yield to a blight area it allows you the tool of eminent domain to come back and try to work these two parcels to get that connection over to Rose and my problem is, again, adversely affecting properties that we are working at. I want to make sure that we are all making the same determination of what we are accomplishing and what we may not. I do like the fact the Drury in its discussion said ok the doctor's office, we are not going to come to terms, and we can work around you. But these two properties, I would like to at least get clarified that they do or do not stay within our project area in the future to work with, because I think we will run into some trouble with the White building over this and the Promenade.

Mayor Kelly responds I think these are things that we need to discuss from a City standpoint with respect to how we want to proceed with those parcels of property. From my understanding, from discussions we have had, they wouldn't be part of the redevelopment project for the Drury site given the cost of those properties.

Alderman Kramer commented that in the planning meeting we discussed maybe the potential of doing some property swapping because the Drury property does acquire some property that is actually on the East side of Black Creek versus this piece of property being on the West side and maybe coming to mutual terms with one of the owners to do a trade. I think that would be wonderful for a few property owners getting together versus using economic development tools to force a switch.

Larry responded we are not requesting any authority to do anything of the sort. About six months ago after two plus years of trying to get these sites under control we took a step back and said, what is realistic in this situation? And if you would allow me just one second, Mayor Kelly (Mayor Kelly said "that's fine Larry Hasselfeld), to put things in perspective this all started three years ago and we responded to a proposal to try to redevelopment this area, which has a lot of issued that you have heard about tonight. We came in with a proposal of the 5 and quarter plus million of assistance which grew to the 5.75 million. But that was in contrast to the completing proposal, which I don't have the number in front of me, but it was at least three times that number, I think, and Ellen would have that number. So we did put forth the best possible proposal with the least possible tax incentives that we could make work on the project. So that's the first point. Second, we have the sites under control, we haven't bought the site. We are trying to get this all put together in a time frame that will allow this to happen. In an economy that will allow this to happen. We are building hotels. We have four under construction right now and I think the comments that we are a sound company, is because we make sound investments. We would not be asking for assistance if this site could be bought and developed in market values. It can't. And without the assistance it can't be developed. So that is my conclusion and kind of a summary of how this got to this point. We are excited about the site, we do believe it can perform and we are taking the economic risks of the assistance. Yes, we are getting abatement, but we still have to make a profit at the hotel. We are holding the bonds. We are not asking the City to take any risk on financing and they are not tax free bonds. We are holding the notes. They are notes to us. They are not outside bonds they are notes that get paid back through the incentives that we are requesting. I just wanted to make a couple of those points. Thank you.

Alderman Marshall, your Honor I have just a couple of questions here. When we did the Brentwood Square development, it was set up in a way, and I guess this goes towards what Maureen was saying, it was set up so that if we went above a certain profit for the year, the difference was returned to the taxing districts. The reasons I say this is the school board members are here and I know are having some financial problems. I know they enjoy the benefits of returning money back to taxing districts from Brentwood Square. It is possible to look at something like that for this development?

Mayor Kelly responds that was a tax increment financing.

Alderman Marshall, I know, but what I mean is there any way to set it up so if the property values, like they were talking about, go up higher than they thought they would, is there is a cap and could we enjoy more of the taxing money?

Mayor Kelly responds the risk is still in that we don't know what the property is going to be assessed at so there are estimate on what they think it's going to be assessed at and that is how they are coming up with their number on how to finance this and what their greater return is going to be. If the project is assessed at a higher value after the ten years then the district is going to get more automatically. They are going to get a bigger half of that. We have had this issue with all of our projects with the property tax portion of it, in that it's always a gamble on what Saint Louis County is going to assess those property values at. And again tax abatement is a whole different structure. The pass-through on the Brentwood Square project was coming from the sales tax. So we were passing that through the other districts to give them an incentive.

Alderman Marshall responds that he didn't know if there was a vehicle to set this up in a way that some of the monies given back to the taxing district.

Mayor Kelly responds you know with that project and it's good that we have the agreement with the school district, but the negative side of having a pass-through with Brentwood Square, for instance, we are actually ahead of schedule to a certain extent, but by giving the pass-through's you are not paying the bonds sooner. So instead of knocking years of the bonds, you're giving up a short term gain for incentive and then you are paying more interest over time. There is a balance both ways on that and with the 353 and the tax abatement it's more difficult to do something like.

Alderman Marshall states that he agrees with those comments.

Alderman Kramer asks if he could make one comment and dove-tail off of Mr. Hasslefeld comments about the project. You know, this is probably one of the last big project that we will have while and I can remember going back previous administrations where that MODOT property has been sitting there for away, it's been talked about, MOTDOT has kind of dangled is around in front of people contemplating what the values are. They went through the boom times, now they are going through not the boom times, I guess the best way to put it, and I think that there has been an appearance of apology for asking for assistance. I don't think it is necessary to apologize for it. The property that sits back there that MODOT's been holding for quite some time was going to sit and that corner was going to be like it was. And at some certain point we are going to have a fine developer, like the folks at Drury Corporation come forward and out together a plan that we can all live with. Now we have learned from some previous experiences with the Promenade, the Festival and Brentwood Square and some others where maybe we will look very closely at the development agreement at some things that are going to be put into this development. I am excited that we are to the point where it's serious

that MODOT, the nine hundred pound gorilla, the word I like to use is “gr” and ends with “ed.” You know, they want a lot for their property and this to happen and for us deal with the 16% portion of the project expense, I’m happy.

Mayor Kelly, to that point one of the reasons for assistants is to a certain extent, probably one of the most important things for the City’s standpoint, is to have some control over what’s actually being developed there. I can tell you that since Drury has been selected as the preferred developer within the last year, the City was approached by a business that would have paid MODOT their 4-1/2 million dollars for that property.

Alderman Leahy asks which bank was it.

Mayor Kelly responded that is wasn’t a bank. It was actually auto dealership. My feeling is which would you rather have there at the corner Eager and Brentwood Boulevard a car dealership or Drury hotel? The other advantage to some of the things we took into consideration in selecting Drury was that they are going to be bringing people into our community. The patrons are going to go there and use that hotel, will use the restaurants and use the stores in the area while they are here. There is a lot more that goes into it and there are reasons for assistance beyond just making it work financially. If it were an open market project and we tried to negotiate with MODOT through this process and they asked us to disqualify our preferred developer, at which time we would be more than happy to do that as long as you guaranty if you put the property out in the open market that you will sell it to the highest bidder. They said that they would not guaranty to do that. Because basically, my assessment without seeing the actual appraisal, that the amount that MODOT was request for that property started at 6 million dollars and the current sale price, which has been public, that’s why I don’t hesitate to say it here, is 4 and a half million, is probably about 2 million more than the actual appraised value. And if we did have the assistance to make the project work, MODOT would just sit on property or they would sell it to somebody that wouldn’t necessary be the type of development that we want there. So it is important and gives us some control over what goes there and I think it’s a great project. Thanks everybody. I forgot to open up to the Board and I am sorry about that.

BIDS – None

HEARING OF ANY PUBLIC INTEREST UPON REQUEST OF ANY PERSON PRESENT

Mayor Kelly state if anybody would like to address the Board of Alderman, please come forward and give us your name and address.

Kevin McCarthy, 411 Lindenwold, St. Charles, and as the contracted operator of your City government channel, I would like to personally thank Ms. Akande and her staff for the fact that after the realignment of management of the Parks and Recreation Department, whose responsibility it is to maintain the City website. The Brentwood television now is much more

easily accessible to our residents. For more than four years access to our channel had been hidden in the bowels of that website. Anyone attempting to access the channel would have to type the appropriate search query into the search block and then dig more than four layers deep to access the station. And I hope that you would agree with me that this is a rather dramatic vindication of your request for greater transparency on the part of our City Government. Anyone, anywhere in the world, could now access Brentwood City television from a button on the front page of the website, where it had been previously, in the four year period. During the period of time when I was gainfully employed by the City on a full time basis, I repeatedly tried to get that situation resolved to no avail. Ms. Akande, thank you.

Ms. Akande responds "I thank the Board."

Maureen Saunders, 2326 Park Ridge Avenue, I did have one more thing on Drury, I am sure this is going to be taken care of, but they did say when I was at the site plan of the redevelopment corp., that the base that we are currently getting for that property for property taxes and I think sales tax, it was around 42 – 43 thousand that we would continue to get that money. I sure you guys know, but it's in the documents.

Mayor Kelly responds to a certain extent that's low is because the majority of that property is owned by MODOT and it's not paying any taxes.

Maureen responds "right." And my thing was just that because the schools are struggling with the property abatement, if there could be 48% if it's doing really well, if it could help out since we are helping with the risk a little bit, if there was a way, if they were successful, if they could help out a little bit. Thank you.

MAYOR KELLY CLOSES PUBLIC COMMENT

Mayor Kelly states that we actually did add to the Agenda that we will open up for public comment at the end of the meeting if need be for a period of fifteen minutes for people to make additional comments.

INTRODUCTIONS, READINGS, AND PASSAGE OF BILLS

None.

ACCOUNTS AGAINST THE CITY

Alderman Marshall states that the warrant before us tonight in the amount of \$74,116.40. Alderman Marshall moves for adoption, second by Alderwoman Clements.

Mayor Kelly calls Alderman Kramer. Alderman Kramer responds yes your Honor. Thank you, I apologize for being predictable. Hey Bola, going through your wonderful synopsis of the items

here, we've got a cost line item for the new ambulance. That brings up the question, is this items that we talked about in the budget for this year?

Bola responds "they are."

Alderman Kramer responds OK, thank you.

Mayor Kelly, any other questions. Do we have a first and second to approve the warrant list as submitted. All in favor none opposed.

Bola, I just wanted to point out that one of the items under re-codification of the municipal code. We budgeted \$16,000 for that expense, but after further work, Sullivan Publications has discovered that there is an error in the cross reference list and they have proposed to undertake the effort to correct that for the City. So that might cost us an additional \$4,600 to \$6,000 so I am just bringing that to your attention if a decision is made that they correct that document for us, we will bring that back through the Ways and Means Committee.

Mayor Kelly responds yeah, I say just take that to the Ways and Means Committee.

Bola, apparently the company that the City hired 12 – 15 years ago made significant errors in that document.

Mayor Kelly states we will look at it at the Ways and Means.

Alderman Leahy responds. Bola, if you will at a later date, I'm under the impression that under their contract to do this service they were covering these problems.

Bola responds "no." it's not included.

Alderman Leahy comments could we ask the question if we are paying the one firm that we were dealing with up to last year and in the bid this group was \$5.00 lower and the trick was why I am I paying so much if this man has done the job all along and this guys saying ok I'm just going to make sure that there is no State Statute or Ordinance difference and now he's saying there is a great error.

Bola, I'm not referring to the code itself. I'm referring to a cross reference list that tracks what the Ordinance number was, what it is now, so that you use it to go back and forth. I don't believe that was in the agreement we had with Sullivan Publication. Their agreement was just to do the re-codification of the City Municipal Code.

Alderman Leahy, staying on that topic if I may, Bola, do we have a time frame when this activity will be accomplished since we are about 6 or 7 months late?

Bola responds this is started, I believe, in August of 2010.

Alderman Leahy responds “yes.”

Bola, ideally it takes eighteen months, but for almost a year we haven’t done anything until last fall. Right now we have the final draft on hand that will be distributed to staff. After which we will go through that again, make final edits and they will clean it up and turn it back around, so we may not have a final document until at least April to bring back before the Board of Alderman. It’s a long process. There is really no way to cut corners in order to do it well.

REPORTS OF COMMITTEES AND DEPARTMENT HEADS

Mayor’s Reports: Mayor Kelly states he does not have anything this evening.

Public Safety: No report you Honor.

Public Works Committee: There is a meeting on the 8th.

Direct of Planning: Ellen already presented.

Ways and Means Committee: Your Honor we have a meeting this Thursday.

City Attorney: No report your Honor

City Clerk/Administrator, Bola, I just wanted to update the Board of Alderman that for the past eight years or so we have been talking about renovation and expansion of our community center. The public works has met on this. We have hired different firms to look at the possibility of what can be done. And there is money in the budget. We will develop a scope of service to hire architectural services and we will bring that back to the Board of Alderman for your consideration at a later date.

Your Honor if I may, Mayor Kelly gives Alderman Leahy permission to speak, at this time I would like to make a proposal on that scope of work on service and renovation. The City currently has two buildings that they are seriously looking at renovating. The City hall, now that the fire department has moved out and the potential use of the recreation center as to what we are doing. I would like to entertain with the Board of Aldermen that we consider consolidating our services into one of the two buildings and physically taking that property and re-renovating to meet both needs and put that piece of property and put it back into the public domain, instead of trying to physically renovate two specific buildings that may not meet our total needs and hopefully reduce some of our costs. I would like to include that inside the scope of work for the services that we trying look at, that at least we entertain that proposal and see if it saves us some money and gets us a better facility.

Mayor Kelly responds, I think that was one of the proposals in the last study that was completed that said we could put about an 8,000 square foot addition to the recreation center

that could be actually two stories which would make it 16,000 square feet. And we talked about the possibility then moving the library and city hall over to that site. I think with the scope of services that staff has been directed to look at is really what do we want the recreation center to look like and what kind of costs do we want to associate with the renovations or additions in order to put something to the voters. And again, correct me if I am wrong, but put something to the voters to see if that's what they us to do. I think it's a legitimate consideration to have, whether we want to, again, as Alderman Leahy said, move City hall and the library over the recreation center and sell this piece of property. I think that maybe that maybe that is a topic that should be brought up at the public works meeting for some more definitive direction for the staff, because that really is a policy decision that the City needs to made at this point if that's the direction we want to go. I can tell you that this is a very valuable piece of property. I can also tell you that it is also a very sentimental piece of property.

Alderman Leahy stated that he would consider the recreation center over here and limit some of the facility that we have there because we have such a wonderful agreement with Richmond Heights, as entertaining for cost analysis.

Mayor Kelly responded my only sarcastic comment to that would be I don't know where we would put the ice rink. Alderman Leahy stated maybe the ice rink may not move. Again, that's a policy decision that the City needs to make before the City spends time doing a draft, if we want to propose getting rid of the ice rink or which direction you want to go. That's really what it comes down to. Do we want to invest money in that facility and bring it up to current codes and the deferred maintenance that needs to be done over there? The building is in good shape and that's because we have taken care of it, but things need to be done to it. That's what started this whole process. We keep going around in a circle and I think we do need to make a decision. Do we want to invest in that building, make a potential move or not. Those are policy decisions this Board needs to make to move forward. Otherwise, we will just continue to go around in circles.

Alderman Kramer responds, you Honor if I could dovetail on our esteemed Alderman Leahy's comments. The Public Works Committee, which I am not a member of, did already take a vote on putting together a conceptual plan for the recreation center and we have a meeting coming up in a couple of days. So before we pull the trigger on that perhaps we could add that on the already lengthy agenda to at least bring up Alderman Leahy's comments so that can address that before the money is spent.

Alderman Wynn responds, I think Mayor that one is, I have been on the Public Works for a long time, and went to Kansas City looking for facilities, but I think what happened in 2008 and 2009 is deterrence from wanting to spend a lot of money. I think it would be very difficult with the economy at 8% or 9% to want to go to somebody with a 15 or 20 million dollars to build a new one. We have seven levels here. Mayor Kelly states with respect to the maintenance that needs to be done to the recreation center, that's a decision we need to make. The other good position is that we don't have a make a decision on this building today. We have plenty of

space here, it works and we have brought it up to date as much as we can with ADA. When we start to look at this building, like Alderman Wynn suggested this level of City Hall has seven levels to it. So when you are looking at renovating this and upgrading this facility it is very, very expensive when you are dealing with all the new requirements from ADA and all those kinds of things. That's why we stopped because we could see that really half way through the process, to be perfectly frank, it would be cheaper to tear this building down and build a new one than try to renovate it and bring it up to current codes. But we are in a situation where we don't have to do anything. That can be a decision that can be made that's made 5 or 6 years down the line. Alderman

Alderman Wynn responds that one of the important things you said to, is there is a lot of sentimental value to this building. A lot of people that grew up with it in here, it would be something to educate them to. Mayor Kelly states that I tried to get them to reserve one of the fire department garages for the Mayor's parking space, but they wouldn't do that. Just kidding, just kidding.

Excise Commissioner George, good evening, the Good Sheppard Children's Family Services is offering a one night only fund raiser February 25, 2012 to be held at the Galaxy Motor Company at 1419 Strassner and they are asking for a beer license only. They did the same type of fund raiser last year. The hours will be from 7:00 pm to 11:00 pm.

Alderman Leahy, motion to approve the request your Honor. Mayor Kelly, thank you. Motion seconded by Alderman Marshall. All in favor none opposed.

Library Alderman Wynn states that I had an interesting telephone call from a guy, who said "I can't get my books from the library" He had to books reserved. So I called down to the library and was able to find out he was first on one book and fourth on the other and one was called the "gang's of Saint Louis" and other was the "Indian Brother." I don't know what he is reading but anyway, I was able to get back to him and tell him that he is first one on the first list and the fourth one on the another list. So I was able to help somebody out with the library. This job encompasses a lot of different things. We have a great library and if you will come down and read some books it would be great. Mayor Kelly stated that the moral to that story is if you have trouble with the library with getting your books call Alderman Wynn. Alderman Wynn responds "I won't mind."

Municipal League Mayor Kelly stated that there was a real important municipal league meeting a week ago and to the credit of the municipal league I think they were able to get a super majority consensus on a recommendation with respect to the distribution of sales tax through Saint Louis County and to try to work on a goal to make it a little bit more fair. And I am not going to go into the logistics of it right now, but I think the important part is that in doing so we are pretty much able to nullify the two extreme bills that are actually being proposed at the state level right now. And one, there was rumors of it, but people should be aware that Saint Louis County did get sponsors for a bill that would have taken the entire one cent sales and put that into the pool and to be distributed throughout Saint Louis County. So, what that meant to

Brentwood was last year, of the one cent, they took just over 30% from us, which was 1.6 million dollars. If they took the whole thing, it would 4.6 million dollars as a total and then we would only get a portion of that. So we don't want to get into a situation where Saint Louis County, as a group is getting into a sales tax war and I think to the municipal league's credit we have come up with some compromises working together with the pool and the point of sales cities and we are going to work to that end. Again, we need to be aware that those are still up there at the State.

Communication - No report.

Historical Society - No report.

Unfinished Business Your Honor do we have an update on Pam Thorton?

Mayor Kelly responds "no I do not." I will call them tomorrow.

New Business Alderman Leahy announced that the Ward Three meeting for the month of February will be Tuesday night February the 28th at 7:00 pm in the council room. Thank you.

Mayor Kelly states he is opening the floor back up for public comment if anybody has questions or comments to the Board if you would like to come forward, give us your name and address.

Maureen Saunders, 2326 Park Ridge Avenue. I just wanted to say thank you for the public comments at the end of the meeting.

Mayor Kelly commented that after the last meeting he was being more stubborn than rational so we added it to bottom of the agenda.

Adjournment

Motion was made by Alderman Leahy, Second by Alderwoman Clements to adjourn the meeting at 8:45 pm. All in favor none opposed.

Pat Kelly, Mayor

Attest:

Bola Akande,
City Clerk/Administrator