

BIG SPORTS UPDATE January 21 2017

CHESTERFIELD CITY COUNCIL AGREES TO GO INTO THE LANDLORD BUSINESS. COUNCIL VOTES TO BUY LAND FOR \$2.05-MILLION THEN LEASE IT TO BIG SPORTS AND LEASE 30-ACRES OF ALREADY OWNED LAND TO BIG

SPORTS: The deal is the city won't vacant land to Big Sports, a group fronted by Dan Buck and Cardinal manager Mike Matheny but lease it was approved on Wednesday January 18.

The debate and vote was contentious as Dan Buck threatened to take an offer from another community for the indoor sports dome if it did not pass.

The City of Chesterfield will also buy 22 acres of land for \$2.05-million located next to 30 acres of vacant land owned by the city. They will then lease the land to Big Sports for 50-years. They will not break even on the deal for between 21 and 25 years.

The big question still hangs over the deal of: Why didn't Big Sports buy the 22-acres and why didn't Chesterfield sell them the additional 30 acres, instead of this lease deal?

Also approved was that the city and Big Sports would realign the property so only the dome sports facility and outdoor baseball fields would be on City property and Big Sports' hotel, shops and restaurants would be on privately owned property.

At first it was thought Big Sports would spend up to \$4,000,000 to bring water and sewer under the Interstate Highway. The utility services would also allow Chesterfield Parks Athletic Complex facilities to use MSD sewer and American Water service and stop using its own sewage system and well water. However, Dan Buck of Big Sports on Wednesday night at the City Council meeting said the infrastructure costs would be closer to \$13,000,000. This immediately caused me to wonder why Big Sports would not want to find another location with all existing utilities and sewer. It also made me wonder how Big Sports could be so off on their original cost estimates.

However several questions remain.

Why wouldn't the city simply sell the 30 acres that they bought for \$3.75-million under Mayor Jon Nations that is currently appraised at only \$2.4 million, to Big Sports?

The City will not break even on this deal for 21-to-25 years but has two large debts upcoming when two different bonds must be paid off in 2019 and 2021. They will not begin collecting any rent on this deal until 2019. The Parks Budget Fund Reserve will

almost vanish with the purchase of the 22 acres of property. How will this effect operations over the next 5-to-10 years?

Councilwoman Barb McGuinness brought this up stating during the regular meeting, "My concern is this is not enough rent money after the city spent \$6,000,000. (Buying the 30 acres for \$4.75-million in 2009 (now valued at \$2.4-m) and proposed purchased of 22 acres for \$2,050,000 now.



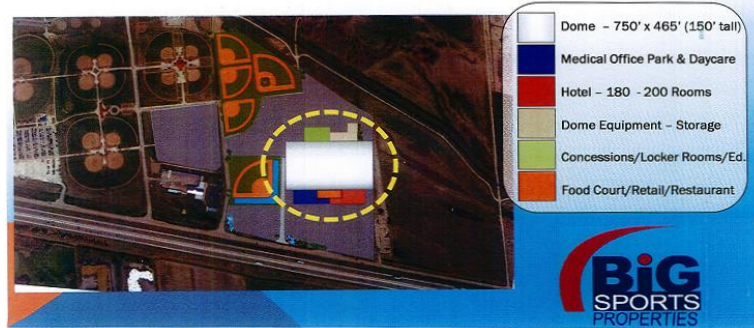
McGuinness was taking extra big notes during the agenda meeting.

"This deal was started by the previous city administrator. It lacked transparency (meetings held in secret Executive Session) so the public could not have any input," said Councilman Tom DeCampi. "Instead of a 50-year lease, I think we should sell the 30 acres to you and you buy the 22-acres. In Executive Session I asked if anyone would do this deal with their own money. The answer was, 'No!'"

THREAT MADE BY BUCK: I don't know about you, but if I'm in negotiations and someone makes a threat that would be the end of the deal for me.



EXHIBIT B - MULTI-SPORT DOME WITH INTEGRATED CONCESSIONS, RETAIL, HOTEL, AND OFFICE PARK & ADJACENT 3,000 SEAT STADIUM AND TURFED FIELDS



Dan Buck, who arrived 45-minutes late for the Agenda Review meeting made a threat before the regular Council meeting.

"If we don't get a vote here tonight, our investors will say go to Plan B," Buck told the council. "I'm flying to Texas on Friday for Academy Sports' \$12,000,000. That will take us to \$23,000,000. Everyone likes to see if we and the city have a partnership."

"We are in a chicken and egg situation. If we don't have a contract on the land (lease agreement with Chesterfield) we can't get money for construction from our investors," Buck said. .

NEW HOOPS: Buck also mentioned in the Agenda Meeting that the Army Corps of Engineers (in charge of granting approval for construction in flood plains, such as Chesterfield Valley) wants testing of the land to see if it can handle 700 foot long and 80-inch deep footings. Buck wanted until 11-1-17 to show the City Big Sports had their financing in order. That got reduced to June 1, 2017 on Wednesday night.

HE MAKES A SUGGESTION AND THEN LATER DOESN'T VOTE FOR IT: In the Agenda Review Meeting Councilman Guy Tilmann made a suggestion to continue the matter.

"We don't have the financial component (Big Sports having enough money for the project). The land has not been tested. Why do we have to pass this tonight," asked Tilmann.

Later in the regular meeting Tom DeCampi moved to continue the matter for two weeks until the next meeting. The motion was seconded by Barb McGuinness. However Tilmann who suggested it in the Agenda Review Meeting voted against a continuation in the regular meeting. The continuation motion failed on a 4-to-3 vote.

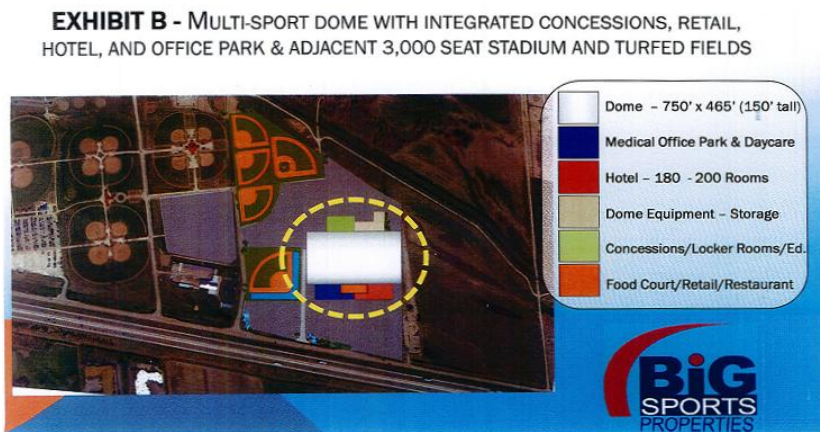
BUCK DOES THE SOFT SHOE SHUFFLE AROUND THE MONARCH FIRE AND AMBULANCE ISSUE: Buck was asked about how all this would affect the Monarch Fire Protection District. The problem being land owned by the City is not taxed and Monarch and the Rockwood School District are funded by property taxes.

Buck avoided that problem by saying how he met with Monarch officials and they were concerned that the plans did not include a road all the way around the indoor sports dome especially to the air handlers in the rear of the building, which could become overheated and smoke or catch fire. Buck said they agreed to build the road.

Tom DeCampi then asked what about Monarch not receiving any taxes for the property where the indoor dome and outdoor fields were located, When he asked that question, Mayor Nation immediately adjourned the agenda meeting before Buck could answer the question and everyone went to the Council Chambers.

How will the Monarch Fire Protection District be paid for EMS calls and fire inspections at the Sports Dome and the outdoor baseballs fields, since those will be located on city property which does not pay taxes but playing at the Dome result in revenue?

Acting Fire Chief Carey Spiegel and Board of Director member Robin Harris were at the regular City Council meeting.



Robin Harris spoke and said how there would be a significant demand on services without the financing to cover increases in call volume. He stated how prior speakers had talked about very large amounts of people coming to Chesterfield to use the facilities. (Monarch does bill non-residents for EMS service, but does not attempt to collect with the bills are not paid.)

Councilman Flachsabrt shovels some bullshit. When Director Harris was finished Flachsabart told him that he (Harris) did not understand and that how the hotel and shops would not be on city property but on private property owned by Big Sports and that Monarch would receive real estate taxes.

Harris was polite and did not argue, but knew full well. We talked to him when he left and he told us that the Indoor Dome is where many fire inspections will be performed and where the most EMS calls would be generated from will be on untaxed city property.

Randy Logan doesn't get it: Logan has a history of saying incorrect things about the Monarch Fire Protection District in the last year since he was returned to the City council. He also often doesn't pay attention. Last Wednesday was no exception.



When Robin Harris was finished speaking to the Council, Mayor Bob Nation thanked "Capt. Harris" for his remarks. Nation was referring not to a fire district rank, but to the fact that Harris is a senior pilot (Captain) with Delta Airlines.

"I don't think Chief Harris understands," said Logan. Harris is not a "chief" and no one had called him anything other than Director Harris or Captain Harris.

Councilman Hurt explains why he is against the Big Sports Deal: Dan Hurt who usually is making lame wisecracks or talking and talking dragging out the length of meetings was on point Wednesday and made sense.

"This is not about the product. The product is great. (Sports complex and training),...The bone of contention is a 50-year lease," said Hurt.

He also had said the community believes the Council has a financial obligation to the residents. He went on to say how in 50 years he would be dead as would most members of the Council and those with Big Sports. The whole purpose of how this deal was arranged could be completely changed by new people Hurt cautioned.

"Our property will be encumbered to your project for 50 years. When this city was founded the residents wanted parks. We took care of that with parks for the residents and their children to use. Not for special teams from all over the Midwest," said Hurt, who wanted a 25-year lease, which Buck objected to.

Making Hurt's point was the volleyball coach from Affton who spoke about how the region needed a facility with 10 or more volley courts and the Powerplex would have that. He brought with him a dozen or so kid volleyball players.



Mayor Vs DeCampi: Bob Nation often has trouble as mayor being the non-partial master of ceremonies running the meeting. He was clearly getting pissed at DeCampi and somewhat at McGuinness. After Hurt made his first remarks McGuinness wanted to speak and Nation called her out of order. She was allowed to speak on the topic later in the meeting.

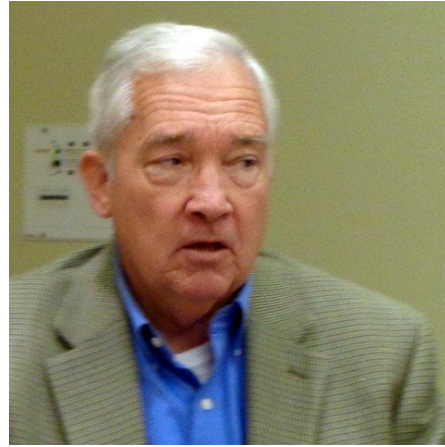
But it was DeCampi who was really getting under Nation's skin. It had been clear since spring of 2016 that Bob Nation was in favor of this deal, when councilpersons met with Buck and Mike Matheny only two at a time so they would not have to post meeting announcements or take minutes and sidestep the Missouri Sunshine Law. However such an arrangement in itself is a violation of the Sunshine Law.

DeCampi and the Mayor shouted several times as DeCampi tried to defend himself from comments made by Mayor Nation after DeCampi referred to the whole deal as "the city going into the land speculation business." Nation shouted back that DeCampi was

out of order. At one point Mayor Nation inferred that DeCampi was lying, but then softened his speech by changing it to how DeCampi was "mistaken about the facts"



DeCampi, Logan and Hurt on Wednesday



Bob Nation file photo

PARK BUDGET RESERVE FUND DOESN'T REALLY EXIST ACCORDING TO MAYOR: Both McGuinness and DeCampi mentioned how the purchase of land to lease back to Big Sports would drain the Parks Reserve Fund.

This might have been a good time for Bob Nation to shut up but when Bob is pissed that option rarely occurs to him.

"We have no Parks Fund Reserve Policy," announced Nation.

Well, there might not be a policy, but there certainly is a Park's Budget Reserve Fund and this land purchase will just about drain it dry.

The Vote: Here is how the vote shook out:

Ayes for the Agreement with Big Sports NO Against the agreement

Logan

Hurt

Flachsbart

McGuinness

Bridget Nations

DeCampi

Tilmann

It passed 4-to-3. **Invisible Man!** But wait aren't there eight councilpersons? Yes there are, but one decided not to represent the residents of Ward-4 and certainly not to piss

off Mayor Nation who had just appointed him to the Council 14 days earlier. Nathan Roach refused to vote and became an invisible man on the topic.

"This is too much for me to absorb in two days. I am going to abstain from voting," said Roach.

Just that statement was a big deal. Roach appears to be the Clarence Thomas of the Chesterfield City Council. He doesn't talk.



However Roach lies when he said he had only two-days to absorb this (Big Sports). This has been in the news for some time and on the homepage of this website, Also he received this council packet with all the material five days prior to this meeting not two.

"It would not have made any difference how I voted," Roach told me. He was right. Had he voted against the agreement it would have tied the vote and Mayor Nation would have broken the tie with a "yes" vote.