

Big Sports Property Update October 28, 2016

UPDATE: THE BASEBALL DOME AND NEW BASEBALL FIELDS The mainstream media finally got onto the Baseball Dome story after we posted our article with documents late on Friday October 14, 2016. It appeared in the Post-Dispatch a week later on Friday October 21 and then again on Saturday October 22. Both pieces by St. Louis County government reporter Steve Giegerich missed an important part of reporting. They didn't tell the other side of the story.

There were three councilpersons who voted against the deal. He didn't get any statements from any of them.

Alex Fees a former KSDK reporter now at KTVI did a story on this on Sunday October 23. It was a love piece. He mentioned how he used to work at a TV station with Dan Buck who with Cardinal Manager Mike Matheny are the front men for this deal.

THE MAYOR MAKES STRANGE COMMENTS: On the Alex Fees story Mayor Bob Nation stated how this was "not going to cost the City of Chesterfield anything."

This had me scratching me head trying to figure out where he came up with that. The city is going to lease 30 acres to Buck and Matheny's group plus buy 22 acres for \$2,050,000 and include that in a lease of 52 total acres. No lease will start until the developer has started vertical construction on the dome or hotel. That could be two years.

The proposed lease agreement is only for the 30 acres. There is no mention of the rent on the 22 acres section. If the 22 acres is worth \$2,050,000, the 30 acres should be worth 27% more. That would be worth \$2,603,500. So the developers need to pay rent to cover \$4,653,500 worth of property. Now you are talking maybe as much as 30 years to cover the initial cost of the land.

Then the city does not get a full lease of \$250,000 a year for 17 years. It starts at \$50,000 a year for 30 acres. The city is paying \$80,000 a year for the few acres of the Doorack property on Old Chesterfield Airport Road that is a vacant lot the city leaders could never figure out how to use. The 10-year lease will cost the city \$800,000 for a vacant lot and the city is paying the real estate taxes for the Dooracks as part of the lease agreement. When it comes to leasing land Chesterfield doesn't seem to know what they are doing.

In the first five years of the lease after the building construction has begun the city will receive just \$264,766 in reduced lease money toward the value of the 30 acre acre property that is worth around \$2,603,500.

After 10 years the city will have taken in \$793,514 in lease fees on the 30 acres..

After 15 years the Dome will have paid \$1,403,523 in lease fees, versus the \$2,603,500 value of the 30 acres of the existing city property being lease.

It will take 19-years of being a landlord before Chesterfield will have received enough money to cover the \$2,603,500 value of the 30 acres of city property. It is as if the city gave Matheny and Buck the 30 acres for a very reduced rate for 19 years.

In the letter of intent there is no mention how much Buck and Matheny group will pay for the annual lease on the 22 acres the city will buy for \$2,050,000.

Part of the lease agreement requires that the city only spend lease money on the existing Chesterfield Athletic Complex. That currently includes 19 combination baseball/softball fields, plus eight practice fields of younger players and a rubberized field for youths with disabilities.

They also have football/soccer/rugby fields.

THE OTHER SIDE: I asked the three councilpersons who voted against the proposal for their comments.

"I had several reasons for voting against it," said Councilman Tom DeCampi. "I'm fine with the purpose. I was asking to sell the property (30 acres) outright to them. I'm all for selling it. I asked Dan Buck if he would buy it and he said, 'Absolutely.' I feel like this is the City getting into the land speculation business and I'm against that!"

Other problem: The terms of agreement/lease (see the homepage of our website for complete document) has a section that requires the City to be in partnership with the Dome group to "work with the developer/lessee on rental of Chesterfield Athletic Fields under separate terms and agreements to attract regional and national tournaments."

The Buck and Matheny group's plans show 21 outdoor baseball/softball fields plus indoor ones on their site. But they want the City to use their existing fields built for local residents and their children to be used for "National Tournaments."

Something is seriously wrong with that picture. Councilpersons used to demand that area tournaments at the City's athletic fields must include at least 50% teams from the city.

Now they have signed up to give up some of that field time to national tournament overflow from the Buck and Matheny group.

Here are the problems that Councilwoman Barb McGuinness has with the deal:

"I don't think the government should be in the land speculation business or "partner" with private business in this way.

We should have sold them the land....after all....if there's a 50 year lease...you basically don't have the land anymore anyway. And the rent they will be paying is inexplicably, pointlessly and ridiculously low.

Further, the City buying the land next door just to rent it to these people is alarming to me. If these developers want the land next door for their project.....they should buy it themselves....not the taxpayers. It will deplete nearly all the money we have in the Park's reserve fund to do it. So if our residents think we have money to expand our Park's system.....which, by the way, was supposed to have been built for their benefit and use.....we don't.....it will be spent on this.

Hosting national tournaments on the CVAC fields which were supposed to be for the people of Chesterfield is concerning. I hope the kids don't get pushed out of the way.

Further....landowners are generally responsible for what happens on their property in terms of accidents and injuries. We don't need the liability and exposure."

Finally Dan Hurt, the councilman with the second longest seniority weighed in on this:

The concerns I have are related to the following:

1) "Private enterprise" like a hotel, being located on public property at below market rates.

I have been told recently that the developers are now reconsidering this issue.

2) Losing operational control over public park land for 50 years; the maximum lease term.

3) Not receiving fair market lease rates for the first 15 years.

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

