

Big Sports Update November 5 2016

CORRECTION: THE BIG SPORTS PROPERTIES DOME COMPLEX WILL HAVE ONLY 5 OUTDOOR BASEBALL FIELDS: We were reporting that the Dan Buck and Mike Matheny backed Big Sports project involving a domed indoor sports complex would have 21 outdoor baseball fields. WE WERE WRONG.

The overview presented by the developers in documents we obtained included all of the Chesterfield Parks and Rec fields making them appear to be part of the project. The actual number of new outdoor baseball and softball fields at the proposed sports development will be FIVE.

CITY STAFF GIVES ITS SIDE OF THE SPORTS DOOM PROJECT: On October 31, I sat down for an hour with Chesterfield City Administrator Mike Geisel and Parks Director Tom McCarthy. They both wanted to point out to me the history behind the 30 acres of property which will be leased to Top Sports, the Dan Buck and Mike Matheny backed development that wants to build one huge sports dome along the flood levee wall just to the east of the Chesterfield Parks and Rec offices on the North Outer Forty Road.

MISSING SERVICES: Where the city Park Department HQ and all the athletic fields are located there is no water or sewer service. The city has two wells that provide water to facilities and for irrigation. There is not sanitary sewer system from Metropolitan Sewer District. The city has its own makeshift system that grinds up sewage and sends it under I-64 to a MSD connection at the Spirit of St. Louis Airport.

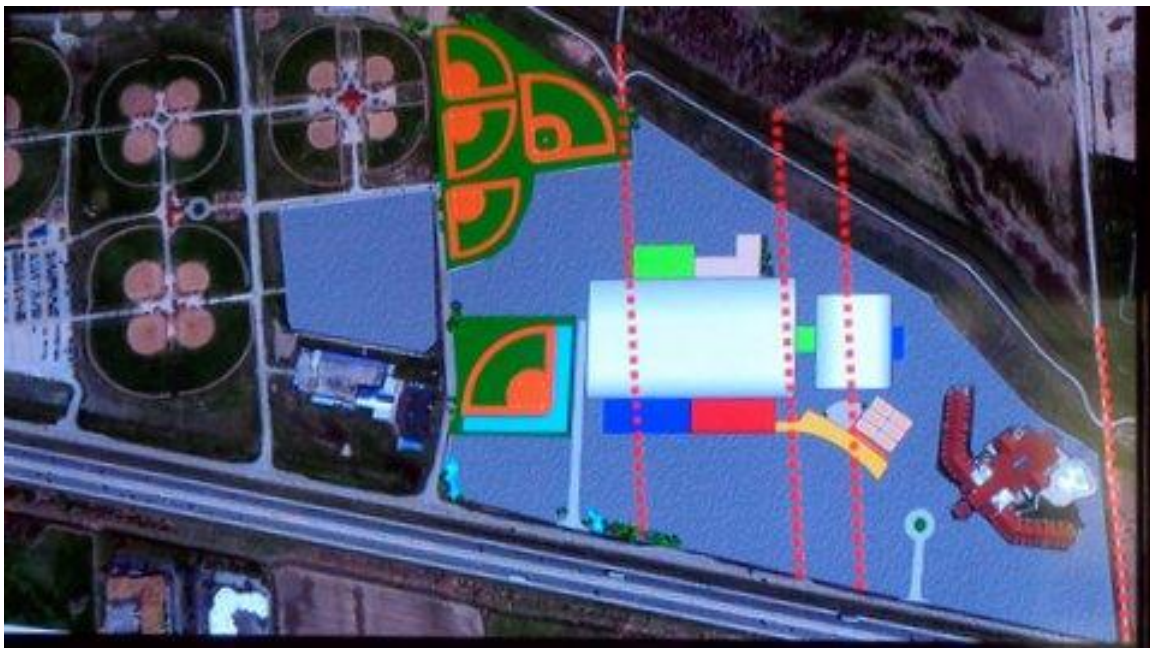
Mike Geisel explained that in 2009 the City Council rejected bringing over water and sewer and having a storm sewer. He said the cost at the time would have been \$3,000,000.

Under the letter of agreement Big Sports would have to pay to bring those services under I-64 to the area between the Missouri River and I-64 for their project, but the city could tap into the services for its athletic fields, concessions and restrooms. He estimated the cost would now be \$4,000,000.

DEVALUED REAL ESTATE: The 30 acres east of the Parks & Rec HQ was bought by Chesterfield in 2009 for \$3,750,000. The unused property is now appraised at well under \$3-million. So if the city would sell it off to the Buck/Matheny group they would be taking a \$1,000,000 lost or more.

THE MONEY: The price for the 22 acres to the east of the city owned empty 30 acres is \$2,050,000. This money would come out of the Chesterfield Park Reserve Fund, which is at \$2,700,000. In other words the purchase would eliminate 76-percent of the fund reserve. Most of the city's property is in a flood plain. Do you want to reduce that much of your emergency funds when you are located next to a major river? Tom McCarthy explained there will be a new pump station soon. However an existing pump station failed in December of 2015 when a number of Chesterfield athletic fields were flooded and the headquarters building was sandbagged.

Here is a diagram under the pending agreements:



The five ball fields, part of the Sports dome and part of the hotel retail area are on the 30 acres.

The rest of the dome, hotel and retail are on the 22-acre area the city would buy and then lease to Big Sports.

However Geisel said a city proposal that has not been agreed to yet, would involve land swaps so no retail establishment would be on city property. See the diagram below and the area on the south of the yellow dotted line would no longer be city property. This is where the hotel, restaurants and shops would be located. The area north of the yellow dotted line would be city property, including the sports dome.



The dome would be operated as part of a "non-profit." Geisel said the hotel and shops would be commercial businesses subject to real estate taxes.

He also said that any TDD or CID for the dome built on city property would not involve sales taxes, but square footage or other similar taxes involving property.

LONG TIME TO RECOVER COSTS: Geisel admitted that the lease payments would not likely start until 2019. We laid those numbers out in our last newsletter. The city would not be paid for the cost of the property at current evaluations for 20 years. He stated there would be a 5-percent return after that point for between 25-to-30 years.

OBLIGATIONS: Geisel pointed out that Big-Sports has to show they have the \$40-\$45 million available funding before city would execute a lease agreement.

NEW TAXES: Geisel said the Dome and hotel would generate \$1,000,000 in utility usage annually which is all taxable by the city.

RISKS: Parks and Rec Director Tom McCarthy said the reason to lease the 30-acres and the 22-acres to Top Sports instead of selling it was so Chesterfield would have some control over the land that borders their complex. However under the lease the City has basically no control over the land for 50 years. If the complex would go bankrupt, something that Matheny projects in Chesterfield Valley have a history of doing, the city would have a huge expense.

"We want to keep a firewall between our parks and their operations," said McCarthy.

He did say Chesterfield would rent out the city baseball fields for national tournaments brought in by Big Sports. He added the "50% local participation" rule is only for league play on the city fields and not for tournaments.

Chesterfield Dome
Creating the Largest Sports, Education & Wellness Center in America

1/10/2014
Bob Anderson/Big A

Largest indoor sports and recreation space in North America that would complement and enhance the existing Chesterfield athletic complex.

The facility will include a 630' by 420' sports dome air structure, full artificial turf.

Attached to the sports dome is:

- 2 - Professional office buildings *
- 1 - Hotel with full amenities

* The office park will include:

- Medical office space
- Literacy center
- 300 Seat theater
- Classrooms
- Fitness facility
- Daycare
- Food court
- Restaurant

A Partnership in Sports, Education, Health Literacy & Disease Prevention!

Logos:

While Tom McCarthy talks about a firewall if you notice at the bottom of the above power point from Big Sports, they list The City of Chesterfield as a Partner, along with the Cardinals and Mercy Health plus Maryville University. We were told Maryville has pulled out and might be replaced by Lindenwood University.

Facts and Features of The Chesterfield Dome
 Indoor Playing Surface is 630' long x 420' wide

Sports Facility Configuration Can Include:

- 4 Little League Diamonds (175 ft. fences)
- 3 NCAA Softball Fields (200 ft. fences)
- 1 NCAA Baseball with 1 NCAA Softball Field
- 2 Regulation Soccer/Football/Lacrosse Fields
- 24 Hard Courts (Volleyball/Basketball)
- 2 Sand Volleyball Courts (coverable)
- Zip Line, Ropes Course & Rock Climbing




Chesterfield Dome
 Largest Indoor Sports Space in America



Here is another power point on the Dome, which gives all the usage. There would be some mezzanine permanent seats, but portable bleachers would for different events.

PAST HISTORY CAN BE HAUNTING: While Mike Geisel points out the 5% income return after the first 20-22 years, he admits that all of us (three people in the room) could likely be dead by the time profits start rolling in on the 50-year lease.

Keep in mind the city paid \$3,750,000 in 2009 for the 30 acres which is now worth about \$2,600,000 at the most and probably less.

The City signed a lease to rent a vacant lot for \$800,000 over 10 years (Doorack) on Old Chesterfield Airport Road and hid the deal from the public and never figured out what to do with the land.

To purchase the 22 additional acres rather than have Big Sports-Buck/Matheny buy it will wipe out 76% of the Park Department reserve fund.

While Mike Geisel and Tom McCarthy made some positive points; but over the years Chesterfield has a terrible record of making sensible and smart real estate deals.