

TOWN SQUARE COST PROPOSALS
JOHN HOFFMANN'S TAKE ON THE ISSUE
NOVEMBER 25, 2016

TOWN AND COUNTRY ALDERMEN VOTED ON TOWN SQUARE PROJECTS WITHOUT KNOWING THE COST: I knew that some city staffers have an estimated price (guess) from the Brinkmann Development Company on how much the Town Square Development will cost. I believed at least the City Administrator and one or more alderpersons knew the prices. But the entire Board of Alderpersons voted to accept the Brinkmann proposal over the Opus proposal without knowing the price estimates connected to either one of the proposals.

I sent a Sunshine request asking specifically for a copy of the proposal voted on by the Board of Aldermen and the amount of money estimated to cost to build the proposal.

Here is the answer I got from the City Clerk:

From: McNamara, Ashley [mailto:McNamaraAN@town-and-country.org]
Sent: Tuesday, November 22, 2016 4:26 PM
To: John Hoffmann
Subject: RE: Missouri Sunshine Request

Good afternoon John,

No vote was taken during the 11/14/16 closed session, nor have the base prices for either proposal been disseminated or discussed by the Board of Aldermen. The only vote related to Brinkmann Constructors was a unanimous vote on the Resolution to authorize Gary Hoelzer to negotiate an agreement regarding Town Square. Said vote occurred during open session and as such, I have no record responsive to your request at this time.

Have a great day,

Ashley McNamara

I confirmed from several sources that the Board of Aldermen as a whole (minus the mayor and Linda Rallo who had recused themselves) were never told the estimated prices of either project. I then filed a second Sunshine Law request to see the written proposal that was approved. I expected a similar response, but got a surprise.

This begs the question; **HOW DO ELECTED REPRESENTATIVES VOTE TO APPROVE A PROPOSAL WITHOUT KNOWING HOW MUCH IT WILL COST?**

Before the meeting began in the Work Session Ald. Tiffany Frautschi was adamant that she wanted to go into closed session and find out how much the proposals were estimated to cost.

I was told that both Ward-2 Alderwomen Tiffany Frautschi and Lindsey Butler fought to obtain the cost numbers but the city attorney allowed staff to refuse to provide the information.

The Board of Aldermen plan to hold a Closed Secret Meeting on the Town Square Project immediately after the Monday November 28th BOA meeting. There is nothing like a non-transparent Berlin Wall style of local government. Keep the public in the dark.

AFTER SECOND MISSOURI SUNSHINE REQUEST LETTER, THE MONEY INFORMATION WAS RELEASED. COSTS FOR TOWN SQUARE PROJECT SOAR FROM \$3,800,000 TO \$5,800,000. Below are the two proposal letters from Brinkman and Opus with cost estimates in each letter.

BRINKMANN HOLDINGS

Mr. Gary Hoelzer
City Administrator
City of Town & Country
1011 Municipal Center Drive
Town & Country, MO 63131

Dr. Mr. Hoelzer,

We are pleased to submit our proposal for the construction of the Town & Country Gathering Place. This proposal is in accordance with the attached letter showing clarifications and conditions of our proposal.

We propose to construct all of the work for this project for a lump sum of \$4,061,533.

Retail Development: We propose to construct between 10,000 SF and 12,000 SF of retail space in accordance with the attached drawings. We will require that the retail parcel be approximately 1 acre of fee simple property with appropriate cross access agreements between the City Gathering Place and the retail parcel. We will purchase this parcel from the City of Town & Country for \$400,000.

Alternates: We are providing numerous alternates in our proposal. While we are preparing to meet at the public forum on November 2, 2016, we believe it would be appropriate to meet prior to that time to discuss which alternates may or may not be desirable by the City of Town & Country. We remain open at all times to facilitate that meeting.

Sincerely,

Robert Brinkmann
Member

Here is the letter from Opus.

Gary Hoelzer, City Administrator October 12, 2016
City of Town & Country
1011 Municipal Center Drive
Town & Country, MO 63131

Dear Gary,

We are prepared to purchase approximately 1.5 acres on a fee simple basis from the City for \$450,000 less the City's contribution of \$200,000 towards the restaurant (120 stalls) and Town Square (20 stalls) that we will be providing as part of the restaurant development. Thus, a net payment to the City of \$250,000.

As part of this transaction, the City will have the benefit of the following:

- Shared parking at Mason Woods Village Shopping Center for Town Center events.
- 20 parking stalls designated for Town Square.
- Certainty that there will not be a parking problem associated with the vibrant new restaurants.
- A maintenance / storage facility for the City's use beneath the new Elevated Deck adjacent to Starbucks.
- Improvements at Mason Woods Village Shopping Center including the Elevated Deck.
- Expanded drive for access and delivery for Straub's trucks

Our goal is to allow the City's Task Force the opportunity to make timely and informed decisions from a wide variety of attractive alternatives. Using the expertise represented among our team members, Opus is able to quickly generate and evaluate a variety of alternatives for review during the design process. The Opus team and the City Task Force will have a working session to start the process for decisions on project's goals and objectives. The project scope will be analyzed on a line by line basis in an open book format so that money is spent in the wisest possible way.

The price for the City's portion of the Town Square project is \$3,730,000. This includes the public restroom allowance of \$150,000 which will be incorporated into the restaurant building, the allowance for the water feature of \$150,000, and the allowance for the pavilion of \$100,000.

Potential areas for project savings are:

- Simplify the Compass Rose area
- Reduce the quantity/size of the retaining walls

Areas to consider enhancements to the project are:

- Upgrades to the plaza paving
- Upgrades to the finishes of the retaining walls

The proposed pedestrian connection under Clayton Road is not included above. The engineer's estimate for this connection is \$400,000. Further due diligence is required for a full understanding of the cost and scope for the tunnel. For instance, it has been recently identified that Missouri American Water has a water main on the north side of Clayton Road that may affect or be in conflict with this pedestrian connection. Similarly, other utilities need to be located to confirm their positioning in relationship to the tunnel.

Please consider the terms of this proposal as non-binding until a mutually acceptable binding agreement is fully executed.

Lastly, we continue to be thrilled about the opportunity to create this amazing real estate with you and the City team. Please feel free to contact us with any questions or comments on our proposal. Otherwise, we will look forward to our collaborative presentation as scheduled on November 2, 2017 at 7:00pm

Sincerely,
Joseph P. Downs
Opus Development Company, L.L.C

Let's look at the original money figures.

- * The City of Town and Country bought the property from the Wirth family for **\$2,200,000**. The Wirths had it listed at over \$3,000,000 for 10 years and the only offer was for a large scale nursing home that failed to receive Planning and Zoning approval.
- * The City staff estimated there would be a cost of **\$1,600,000** to do required improvements especially dealing with storm water retention issues. Mayor Dalton publically complained that he thought the \$1,600,000 estimate was too high.
- * The City staff also estimated an annual cost of **\$80,000** would be required to maintain the property's storm water retention and park settings.

The estimated total price would after the first year using the City staff's estimates would be **\$3,880,000**.

The winning Brinkmann Proposal: Brinkmann offered to buy the 1.8 acres of commercially zone property next to Clayton Road for \$400,000. The estimated cost to the City to build the project would be **\$4,061,533**. Minus the \$400,000 for the retail property that would come to **\$3,661,533**.

If you add the \$2,200,000 purchase price of the property the total figure of costs to residents is **\$5,861,533**. That is just slightly more than the \$3.8-million that Dalton thought was too high. :)

The losing Opus proposal: Opus offered to buy the commercially zoned property for almost half as much as Brinkmann at \$250,000. The total cost of the project would be estimated at \$3,730,000. Minus the \$250,000 real estate purchase that would come out at **\$3,480,000**.

If you add the \$2,200,000 total cost to the city of **\$5,680,000**. That is a \$1,880,000 more than the cost of \$3.8 that the Staff had estimated and \$181,000 less that the estimate of Brinkmann.

The winning proposal is \$2,000,000 higher than the City staff's original estimate.

I have said since Day-1 that the Town Square Project had the look and feel of a black hole money pit. I am pretty sure it will be built, but will the cost be worth it? Should Dalton be reelected mayor after pushing the city into this black hole money pit?

The Hiding Game: Both of the proposals concerning estimated costs were dated October 12. The Board of Aldermen did not see these cost proposals until November 23 or 42 days after being received by the city.

The residents would be unaware of these costs much longer if I had not been prescient at filing Missouri Sunshine Law Open Record Requests, even after I was initially denied.

The city withheld this basic information for both elected officials and the citizens. The cost proposals are now posted on our website's homepage.