

Richmond Heights council delays decision on buyout extension

By Margaret Gillerman

ST. LOUIS POST-DISPATCH

Thursday, Oct. 30 2008

Richmond Heights — Hadley Township residents walked out more frustrated than ever Wednesday night after the City Council decided to wait until Nov. 17 to vote on giving a developer one more year to round up financing.

Michelson Commercial Realty and Development wants to build a \$210 million office, retail and hotel project on land the developer would buy from more than 200 Richmond Heights residential and business property owners. The city approved the proposed development south of Interstate 64 and east of Hanley Road two years ago.

Kenneth Thompkins, a property owner who signed a contract with the developer, said after the council's decision: "They should have made sure that Michelson had the money from Day 1. They said this would never be another Sunset Hills, but that's exactly what it is."

In Sunset Hills, a developer never delivered on a promised buyout. Amid the extended wait until the project was abandoned, the neighborhood declined.

Michelson has asked Richmond Heights for a one-year extension because of the troubled credit markets. City Manager Amy Hamilton said that Michelson had offered to pay each resident in owner-occupied property \$500 in exchange for a one-year extension.

The company offered to release \$1,000 that it had put in escrow to each of the owners who did not occupy their properties.

Some residents stomped out of the emergency meeting Monday night after the \$500 offers were announced.

"It's an insult!" said resident Joyce Calvin. "The financing should been in place way before the economy bottomed out."

The company had until Wednesday to notify property owners that it had the financing to buy out their properties. At Wednesday's meeting, the city extended the deadline until Dec. 28. The council will vote on Nov. 17 on whether to extend that deadline for another year.

Mayor James Beck said that a survey of residents earlier this month showed an overwhelming majority wanted to give the developer the one-year extension. He suggested delaying a vote on the extension to get more residents' input on the \$500 offers.

Michelson offered residents more money overall to buy out their properties than any other developer who competed for the rights to develop the land. But the company has asked for and received extensions from the city because so far it has been unable to obtain financing.

"I'm really tormented by this," said Councilman Timothy Gallagher. He said he expected the developer would have obtained the money by now.

"I think it's prolonging the misery," said Councilwoman Gina Mitten. To extend the deadline, she said, "is to prolong what's already been prolonged long enough."

Councilman Paul Lore said he wanted more input from residents "if the council is going to kill the beast, so to speak."

The meeting had to be conducted in the dark except for the light of a KSDK TV camera. Electrical power blinked out just as the meeting was convening.

If you enjoy reading about interesting news, you might like the 3 O'Clock Stir from STLtoday.com. Sign up and you'll receive an email with unique stories of the day, every Monday-Friday, at no charge.
Sign up at <http://newsletters.stltoday.com>
