

**CITY COUNCIL
CITY OF RICHMOND HEIGHTS,
MISSOURI**

REGULAR MEETING, November 3, 2008

A regular meeting of the City Council of the City of Richmond Heights, Missouri was held on Monday, November 3, 2008 at 7:35 P.M. at The Heights Community Center, 8001 Dale Avenue. Present were Mayor James J. Beck, Council Members Ed Notter, Mike Jones, Paul Lore, Tim Gallagher, Connie Williams, Camille Greenwald, Jim Thomson and Gina Mitten. Also present was Amy Hamilton, City Manager and City Attorney, Ken Heinz.

ANNOUNCEMENTS

Mayor Beck reminded everyone about the General Election on Tuesday, November 4, noting it is a privilege Americans enjoy to elect our national leaders. Mayor Beck reminded the voters to have patience with the lengthy ballot and noted our Proposition T, the question of allowing light duty truck parking for more than one hour on our city streets would be at the end of the ballot. He encouraged everyone to vote and read through the entire ballot.

Mr. Thomson stated that the next District Two neighborhood meeting would be held on Saturday, November 15 at 10:00 a.m. at the Public Safety Building. Mr. Thomson also thanked the parks department for the enjoyment brought by the Spring/Summer/Fall plantings, noting they brightened the City.

CITIZEN'S COMMENTS NO. 1

Reginald Finney-7920 Hicks Ave.- spoke about the stress which is prevalent in his neighborhood area due to the Hadley Development delay. Mr. Finney voiced his opinion that the offer made at the last meeting by Michelson was too low. Mr. Finney stated if the developer was committed, they could do better and make a higher offer.

Deborah Johnson-1705 Banneker-asked where was \$5000 that was previously to be given on August 29. Ms. Johnson asked why the funding wasn't in place in the first place.

Mayor Beck stated the \$5000 was to be given with Notice to Close IF the project got its financing, and that did not happen by the August 29 date. This \$5000 is intended to give residents money to work with during the transition in moving out of their homes and finding new homes once the project was confirmed. Mayor Beck stated this money was coming out of the closing amount but since funding wasn't procured, that could not be paid yet.

Mayor Beck stated that procuring financing for this project is based on a number of things, as for instance, in general all the properties in the development area need to be under contract before banks will consider financing. Mayor Beck stated that since Michelson did not have all that together, the funding was delayed and now we are in a national financial crunch which is making it impossible at this time to get the financing.

Mayor Beck stated the proposed extension may offer an opportunity to find funds for the project during the extended period, but no one knows for certain due to the economy.

Erma Nevels-1627 Berkley-asked if the property she owns will be condemned due to its condition if the project does not go through as there are many things that need to be done to fix up this property. Ms. Nevels stated she hoped there was funding available to help home owners get assistance to fix up their homes. Ms. Nevels stated she had put off many repairs waiting to close with Michelson on her property.

Ms. Hamilton, City Manager, stated there was a grant program through St. Louis County, but the program is only funded in Richmond Heights by about \$18,000 each year with a least 12 people on the waiting list, and noted that there are about 3 new applications each year.

Mayor Beck stated that during the negotiations it was decided that instead of a pledge for materials and work on houses, the amendment now states the developer will give the owner-occupied properties \$500 for the first six months if the agreement is extended and an additional \$500 for the next six months, noting this amount will be over and above the contract sale price. It was felt this amount would help people with their repairs.

Don Droege-Hanley Road property owner-stated he was aware that some of the Council had negative feelings regarding an extension to the developer and questioned that the Council would reconsider ending the project when about 93% of the Hadley property owners who voted said they would like to see an extension granted in the hopes that financing can be secured in a better economy. Mr. Droege stated he did not understand why the Council would not be in favor of giving an extension.

Mr. Gallagher stated he felt that most who replied and wanted to see the extension granted, did so because they believe the contract price is too good to pass up. He said they no doubt have hopes that things would turn around so that financing could come through. Mr. Gallagher stated it was his opinion and others that he spoke to in District One, that the economy is not going to turn around in a year. Mr. Gallagher stated that he had concerns that some of the components of the project had changed since approved in 2006, particularly the residential reduction, public works moved offsite, and other

things and he feels an extension would keep residents in limbo for another year and not be good for the City.

Mr. Droege stated that he felt that since Mr. Gallagher himself was not in the same position as a resident in the Hadley area, the recent survey vote should be fully considered. Mr. Droege stated that knowing how long it might take to get another developer with perhaps different contract proposals, etc., that an extension would be in the best interest of the residents and the City.

Mr. Notter stated he has realistic expectations that the economy will turn around next year.

Mr. Droege stated the congressional "bailout" has just happened and has not been implemented yet, and to give that a chance.

Ms. Mitten stated that residents may have voted for the extension but in her opinion she reached a different conclusion. She felt a significant portion of the residents, through their comments, wanted more money at the time of the survey, which Michelson has not offered. Ms. Mitten said that secondly, she thinks the Council's job is to work for the City as a whole and feels the project has morphed into something different, and does not feel the Council should approve anything just so the residents' contract prices are held. Ms. Mitten said she did review the survey results, but feels she has to consider the City as a whole.

Ms. Nevels asked the Council if they did not take the residents' vote seriously? Ms. Nevels said she is alarmed to hear the Council is not listening to the vote of the majority of the residents that want to see an extension. She stated further that on the survey there was no dollar offer mentioned and the residents voted for the extension for a year because they felt it right, and wanted her vote recognized. She stated she wanted the Council to honor the vote and do what is right.

Mr. Lore stated that he would like to see the project go forward, but admitted that no one knows what the economy will be like, and feels the residents should be adequately compensated for waiting a year. Mr. Lore stated that in his opinion, the developer is not willing to put up more money, and we may possibly find ourselves in this same situation a year from now.

Mr. Lore stated that he wants the developer to believe in their project and give evidence of that by giving the residents more money.

Ms. Nevels stated she thinks granting the extension and fixing up properties in the meantime would be the best solution. Ms. Nevels thought she was voting on the extension tied to some home repair relief.

Ms. Mitten stated the current amendment does not include the repair of properties and asked that since this is the case, would Ms. Nevels still be in favor of the extension.

Ms. Nevels said she thinks the Council should honor what she voted upon.

Iniss Yancy-8021 Hicks Avenue-stated she felt she was not being properly informed by the Developer of the status of the project and contract monies that were supposed to be received.

Brent Hobgood, representative of Michelson, said he would respond to her questions individually.

APPROVAL OF MINUTES

Special Council Meeting October 20, 2008

Mr. Gallagher moved, Ms. Mitten seconded, a motion for approval of the minutes of the Special Council Meeting of October 20, 2008.

Mr. Gallagher moved, Ms. Greenwald seconded, a motion that Page 7 of the minutes be amended to read that there were 5 AYES to 2 NAYS for a Call the Question vote on Bill No. 5227 as Ms. Williams had already left the meeting and did not take part in that vote. Carried unanimously.

Mr. Gallagher moved, Mr. Lore seconded, approval of the October 20, 2008 minutes, as amended. Carried unanimously.

Special Council Meeting October 29, 2008

Mr. Gallagher moved, Ms. Mitten seconded, a motion for approval of the minutes of the Special Council Meeting of October 29, 2008. Carried unanimously with one abstention, Mr. Thomson (did not attend the meeting).

CITY MANAGER'S REPORT

Hadley Development Area Update

Ms. Hamilton reviewed items in the proposed Seventh Amendment as it has been slightly revised from the last version. Ms. Hamilton stated that there is a clause to indemnify the City for any condemnation actions that may be filed, face to face updates by Michelson to the City will be given approximately every 60 days, and the City can begin working on a "Plan B" after the first six months, i.e. determine what to do next, perhaps new RFP, should Michelson not find financing soon. Ms. Hamilton stated there was also the option

agreement for the City to acquire property owned by the developer should the project not happen. Additionally, Ms. Hamilton stated the amendment included a payment to the owner-occupied residents in the amount of \$500 before the end of this year and an additional \$500 at the end of six months. Also, Ms. Hamilton stated the \$1000 in escrow for the non-owner occupied-family owned, would be released. Ms. Hamilton pointed out another difference from the last meeting; the owner-occupied amount now totals \$1000 (2 payments of \$500), which will be over and above the contract price, and combined with the earlier \$1000 escrow released, will be \$2,000 in addition to and above the contract price.

Ms. Hamilton stated this amendment as presented tonight was slightly different than what was in Council's packet and could be different if amended for the November 17 reading. Ms. Hamilton noted the Council had tried to negotiate for more assistance, but Michelson was unwilling to match the City suggested offer.

Mr. Gallagher noted this amendment did not include any home repairs if the extension was granted.

Ms. Hamilton stated that since additional money up front seemed to be what many wanted, the repairs idea was dropped from the negotiations.

Mr. Thomson stated he, like others, was hoping the closings would have gone forward by the end of December. Mr. Thomson stated he did not think the proposed money as currently offered by Michelson would assist the property owners and cover the tax bills which are coming due December 31.

Gilmore & Bell Contract Services

Ms. Hamilton asked the Council's approval for the Mayor to execute an agreement with Gilmore & Bell to provide Special Tax Counsel for COPS Series 1997 refinancing. Mr. Gallagher moved, Ms. Mitten seconded, a motion for the Mayor to execute and agreement with Gilmore & Bell for services regarding the COPS refinancing. Carried unanimously.

CITY ATTORNEY'S REPORT

Mr. Heinz reviewed the procedure regarding Bill No. 5233, noting it was not an emergency measure, and would have the normal two readings before passage. Mr. Heinz noted that if there were substantial changes made after this week, it may require laying the Bill over another week.

Mr. Lore asked if there was a need for a closed session if there were questions the Council had that referred to contract negotiations, etc. and stated he wanted residents to know that if the Council retired to a closed session, the

questions are related to closed session subjects and not to avoid public discussion.

Mr. Heinz noted that in the negotiations to draft this seventh amendment, it was decided that the home repairs suggestion was difficult to determine how to quantify and manage; i.e. man hours, type of repairs, materials, etc. and thought a sum of money would be better received and utilized by the owners. Mr. Heinz stated it wasn't the City's idea to drop the repair conditions from the negotiations, but after discussing the complications it might entail, the best answer seemed to be to increase the amount of money given to the owner-occupied residents.

BILLS PREVIOUSLY INTRODUCED

**Bill No. 5229; second reading
Adopts the Official Zoning Map of the
City of Richmond Heights, Missouri.**

Mr. Gallagher moved, Ms. Mitten seconded, a motion for the second reading of Bill No. 5229. Carried unanimously. Bill No. 5229 was presented and read.

**AN ORDINANCE ADOPTING THE OFFICIAL ZONING MAP OF THE
CITY OF RICHMOND HEIGHTS, MISSOURI.**

Mayor Beck asked for a vote of approval of Bill No. 5229. AYES: Ms. Williams, Mr. Lore, Mr. Thomson, Ms. Greenwald, Mr. Jones, Ms. Mitten, Mr. Notter, Mr. Gallagher and Mayor Beck. NAYS: None. Mayor Beck declared Bill No. 5229, approved.

**Bill No. 5230; second reading
Amends Ord. 4788, the Municipal Code,
Section 335.070, Driving to the Right,
Subsection B and Adding New Subsection (E)
Relating to prohibiting driving Trucks on the
left side of the highway.**

Mr. Gallagher moved, Ms. Mitten seconded, a motion for the second reading of Bill No. 5230. Carried unanimously. Bill No. 5230 was presented and read.

**AN ORDINANCE AMENDING ORDINANCE NO. 4788, THE
MUNICIPAL CODE OF THE CITY OF RICHMOND HEIGHTS,
MISSOURI, SECTION 335.070 DRIVING TO THE RIGHT,
SUBSECTIONS (B), AND ADDING NEW SUBSECTION (E) RELATING
TO PROHIBITING TRUCKS DRIVEN ON THE LEFT HAND LANE OF
HIGHWAYS.**

Mayor Beck asked for a vote of approval of Bill No. 5230. AYES: Mr. Lore, Mr. Thomson, Ms. Greenwald, Mr. Jones, Ms. Mitten, Mr. Notter, Mr. Gallagher, Ms. Williams and Mayor Beck. NAYS: None. Mayor Beck declared Bill No. 5230, approved.

INTRODUCTION OF NEW BILLS

Bill No. 5232; first reading
Approves the delivery of Certificates of Participation
COPS, for City of Richmond Heights, Lessee, Series 2008
for the purpose of providing funds to prepay certain
outstanding lease obligations of the city; and authorizing
and approving certain documents in connection
with the delivery of the certificates.

Mr. Gallagher moved, Ms. Mitten seconded, a motion for the first reading of Bill No. 5232. Carried unanimously. Bill No. 5232 was presented and read.

AN ORDINANCE APPROVING THE DELIVERY OF CERTIFICATES OF PARTICIPATION (CITY OF RICHMOND HEIGHTS, MISSOURI, LESSEE), SERIES 2008, FOR THE PURPOSE OF PROVIDING FUNDS TO PREPAY CERTAIN OUTSTANDING LEASE OBLIGATIONS OF THE CITY; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE DELIVERY OF THE CERTIFICATES.

Bill No. 5232 was laid over to the next meeting.

Bill No. 5233; first reading
An Ordinance authorizing the execution
Of a Seventh Amendment to the Redevelopment
Agreement with Michelson-Hadley Heights Development LLC.

Mr. Lore moved, Ms. Williams seconded, a motion for the first reading of Bill No. 5233. Carried unanimously. Bill No. 5233 was presented and read.

AN ORDINANCE OF THE CITY OF RICHMOND HEIGHTS, MISSOURI APPROVING A SEVENTH AMENDMENT TO REDEVELOPMENT AGREEMENT BY AND BETWEEN MICHELSON-HADLEY HEIGHTS DEVELOPMENT, L.L.C. AND THE CITY OF RICHMOND HEIGHTS, MISSOURI, FOR THE HADLEY TOWNSHIP REDEVELOPMENT AREA.

Mayor Beck reviewed the Seventh Amendment and also noted that the City is allowing as an additional relocation benefit, any homeowner who owns and occupies a home in the Hadley Township Redevelopment Area can apply for and receive a rebate of any real or personal property taxes assessed by the General Fund of the City of Richmond Heights upon their home. Mr. Beck

stated the \$500 received before the end of December and the additional \$500 by June 30 if the project continues, is over and above the sales contract price for the home as was the earlier \$1000 escrow released earlier in the year.

Mr. Gallagher encouraged the affected members of the audience to talk with their neighbors and let them know the Council is split on whether to continue the extension.

CITIZEN COMMENTS NO. 2

None.

MISCELLANEOUS

Mr. Notter expressed his appreciation for Bruce Murray and his Public Works staff and the good job they do for the community.

Mr. Jeremy Kohler, Washington University journalism instructor, brought members of his class to observe tonight's council meeting.

At approximately 8:40 p.m, Mr. Gallagher moved, Ms. Mitten seconded, to hold a closed meeting with closed record and closed voting pursuant to Subsections (1), (2), and (12) of Section 610.021, RSMo., 2004, in order to discuss legal actions, causes of legal action or litigation involving a public governmental body, and any confidential or privileged communications between a public governmental body or its representatives and its attorneys and leasing purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore, and documents related to a negotiated contract. AYES: Mr. Lore, Mr. Thomson, Mr. Notter, Ms. Williams, Ms. Greenwald, Mr. Jones, Ms. Mitten, Mr. Gallagher and Mayor Beck. NAYS: None. Mayor Beck declared the Council would meet in closed session in the senior's lounge.

At approximately 9:24 p.m., the Council returned to open session. At approximately 9:21 p.m., Mr. Thomson moved, Ms. Williams seconded, a motion to adjourn the regular session. Carried unanimously.

Mayor Beck declared the meeting to be adjourned.

PATRICIA S. VILLMER
DEPUTY CITY CLERK

APPROVED