

**MEETING**  
**OLIVE/GRAESER TRANSPORTATION DEVELOPMENT DISTRICT**  
**BOARD OF DIRECTORS**

**Creve Coeur Government Center**  
**300 North New Ballas Road, Creve Coeur, Missouri 63141**

**Thursday, August 26, 2010**  
**4:00 p.m.**

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**MINUTES OF MEETING**

*The audio of this meeting will be posted on the website of the City of Creve Coeur:  
[www.creve-coeur.org](http://www.creve-coeur.org).*

**1. OPENING AND CALL TO ORDER.**

Based upon a determination that eight out of nine voting directors were present, constituting a quorum, Natalie N. McIntosh, legal counsel to the District, called to order a meeting of the Board of Directors of the Olive/Graeser Transportation Development District (the "District") at approximately 4:05 p.m.

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**2. ROLL CALL.**

**Directors present:** Rocky Adkins  
Joe Beaudean  
Denise Chomicki  
Steve Heitz  
David Hutkin  
Stacy Manolakas  
Rick Matejka  
Les Steinberg

**Directors absent:** Carole Jamison

**Advisory directors present:** Mel Klearman  
Mark Perkins  
Dan Smith

**Advisory directors absent:** Karen Yeomans

**Others present:** Natalie N. McIntosh, Jenkins & Kling, P.C., District legal counsel  
David Caldwell, Creve Coeur resident

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**3. PUBLIC COMMENTS.**

An opportunity was presented for persons in the audience to make public comments. None were made.

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**4. REVIEW AND APPROVAL OF MINUTES OF BOARD OF DIRECTORS MEETING HELD ON JUNE 24, 2010.**

Mr. Heitz moved to approve the minutes of the Board of Directors meeting held on June 24, 2010. Mr. Beaudean seconded the motion, which carried 8-0.

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**5. OLD BUSINESS.**

- a. Status update: Construction of project

Mr. Heitz stated that construction of the District project began at the end of July 2010. Pace is doing the work on the south side of Olive Boulevard first. The sidewalks are being torn out, and Pace is waiting for the storm sewers to be delivered so they can be installed before the road widening is done. Pace is on target to complete the project (including activation of the stoplight) by November 30.

- b. Status update: Adding Gershman trust property to the District

Ms. McIntosh stated that a motion to add the property owned by Ms. Gershman's trust to the District has been filed with the court and a hearing on the motion will be held on September 2. The court will likely enter an order that day adding the property to the District. Ms. McIntosh will then notify the Department of Revenue that the property has been added so that sales tax can be collected from the businesses on that property.

- c. Sales tax collection report.

Ms. McIntosh reported that the District's sales tax collections in June 2010 totaled \$13,285.14. July 2010 revenue was much lower at \$4,963.33, and only a few businesses remitted payments in that month. The District's collections for the year to date are \$18,319.70. Ms. McIntosh stated that it will likely be six months to a year, and possibly longer, before we will see a trend in sales tax collections.

Advisory Director Mel Klearman read the statement attached hereto as Exhibit "A" and incorporated herein by reference, and he referred the Board to a chart of Series B Notes he prepared, which is attached hereto as Exhibit "B" and incorporated herein by reference.

With respect to Mr. Klearman's request for permission to contact property owners within the District to discuss inviting Apple to open a store in the District, several directors expressed their opinion that neither the granting or withholding of such permission nor the task of marketing space within the District is within the purview of the Board of Directors. Several Board members stated that they had no objection to Mr. Klearman contacting property owners

within the District in his capacity as a Creve Coeur citizen, but that they did not believe the Board should be involved in such matters.

With respect to Mr. Klearman's suggestion that a ribbon cutting be held when the stoplight becomes operational, Advisory Director Perkins stated that the City will likely coordinate a ribbon cutting and will invite the District's Board members to attend.

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**6. NEW BUSINESS.**

**a. Resolution No. 10-007: A resolution approving the budget of the Olive/Graeser Transportation Development District for the fiscal year ending December 31, 2010**

Ms. Manolakas asked why the legal fees on the budget differ from the legal fees listed in the certificate of reimbursable project costs. Mr. Beaudean clarified that the legal fees included in the certificate are for costs associated with forming the District and correspond to the legal bills the District has approved at previous meetings. The legal fees included in the District's budget are part of the \$15,000 allowed annually for administrative costs pursuant to the District Development Agreement.

Mr. Hutkin moved to approve Resolution No. 10-007 as presented. Ms. Manolakas seconded the motion, which carried 8-0.

**b. Resolution No. 10-008: A resolution approving Certificate No. 1 for Reimbursable Transportation Project Costs and actions in connection therewith**

Advisory Director Smith stated that he had reviewed Pace's first certificate of reimbursable transportation project costs and was satisfied with the documentation included with it. Mr. Smith stated that he had performed essentially the same analysis as Armstrong Teasdale did [confirming that each expense is eligible for reimbursement pursuant to the TDD Act], but he understands that Armstrong Teasdale did a more in-depth review than the City did. Armstrong Teasdale's report is attached hereto as Exhibit "C" and incorporated herein by reference.

Ms. Manolakas asked whether a new contingency should be added to Pace's construction budget since the contingency in the budget has been spent. Mr. Heitz stated that the biggest unknowns that might lead to increased costs are underground, and most of the underground issues have been on the south side of Olive. Based on the construction schedule, Pace should know by the end of September what issues there may be that would add to construction costs.

Ms. Manolakas asked why actual costs for sewer items exceeded Pace's original projections. Mr. Heitz stated that the original estimate of construction costs was based on an aerial photo of the area because no construction plans had been drawn yet. There was no investigation of potential underground issues or there were no discussions with utilities or MoDOT. Once construction plans were made and presented to the utilities and MoDOT, MSD

required Pace to relocate some sewers and install some storm sewer inlets, which added costs to the construction budget.

Ms. Manolakas moved to approve Resolution No. 10-008 as presented. Mr. Heitz seconded the motion, which carried 8-0.

**c. Approval of new request for sales tax reports**

Ms. McIntosh stated that several months ago the Board approved paying for monthly sales tax reports from the Department of Revenue, so that certain individuals (Mr. Smith, Mr. Heitz, Ms. Chomicki, and Ms. McIntosh) could see which businesses were remitting payments and identify any compliance problems. At that time, the Board discussed getting monthly reports for a while and then transitioning to quarterly reports. The first request covered the period from April through July 2010. Ms. McIntosh reminded the Board that each report costs \$35.

Ms. Chomicki suggested getting monthly reports for at least six months and then reevaluating our needs at the end of that time period.

Mr. Heitz made a motion to request monthly sales tax reports from the Department of Revenue for a period of six months. Mr. Beaudean seconded the motion, which carried 8-0.

**d. Review and approval of invoices for legal fees: Jenkins & Kling, P.C.**

The Board was presented with itemized invoices from the District's general counsel, Jenkins & Kling, P.C., dated June 22, 2010 through August 20, 2010 (corresponding to time entries from May through July 2010). Each time entry on the invoices was marked with an "F" for formation costs or an "A" for administrative costs because TDD Administrative Costs are treated differently under the District Development Agreement, as amended.

Discussion ensued on the cap for TDD Administrative Costs, which is \$15,000 initially and increases by 3% each year. Board members from Pace noted that this year, TDD Administrative Costs will likely exceed the limit and will have to be rolled over into next year's budget. Ms. Manolakas asked whether the legal fees are expected to be under budget after this year. Several Board members believed that was likely.

Mr. Hutkin moved to approve the Jenkins & Kling, P.C. invoices as presented. Ms. Manolakas seconded the motion, which carried 8-0.

**e. Schedule of future Board meetings**

The next meeting will be held on Thursday, October 14, 2010, at 4:00 p.m.

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**7. ADJOURNMENT.**

There being no further business, Mr. Heitz moved to adjourn the meeting. Mr. Hutkin seconded the motion, which carried 8-0.

The meeting was adjourned at approximately 4:43 p.m.

Natalie N. McIntosh  
Natalie N. McIntosh, Assistant Secretary of the  
Olive/Graeser Transportation Development District

Date approved: January 13, 2011

## EXHIBIT A

Tuesday's report of the 27% drop in existing home sales and the resulting further decline in major Stock Exchange indexes and the interest rate on the 10 year Treasury Note dropping to 2.4% reinforced my concerns about the future of the U.S. economy.

Last Saturday I went to the West County Mall on Manchester in Des Peres.

I passed by the Apple store - it was crowded with buying customers.

I also passed the AT&T store - it was empty.

I was also disappointed Schnucks has no intentions of moving into the District.

I recommend the following:

1) Since District revenues from the new Walgreens is extremely important, and, CVS will be in business before the new Walgreens is completed, I recommend the very day the traffic light becomes operable, the District invites Walgreens officials, owners of businesses in the District, City and County officials, residents and the news media to participate in a public ceremony celebrating the event - emphasis on driver safety, the corporate citizenship of Walgreens and the support of businesses in the District which made the light possible.

2) Contacting Apple inviting them to open a store in the District. If they accept, in my opinion, it will help bring District Bonds up to "investment grade" reducing the "premium" interest rate to sell the Bonds and thereby increasing the issue amount to redeem both Series A and B Notes.

3) The Board create a committee to accomplish both recommendations.

I will be happy to donate my time and efforts.

Series B Notes 8% COMPOUND

EXHIBIT B

<u>Year</u>	<u>Principal</u>	<u>Interest Only</u>	<u>Taxable Sales</u>
2010/11	250,000	20,000	27,000,000
2011/12	270,000	21,600	29,160,000
2012/13	291,600	23,328	31,492,800
2013/14	314,928	25,194	34,012,200
2014/15	340,122	27,210	36,733,200
2015/16	367,332	29,386	39,671,800
2016/17	396,718	31,738	42,845,600
2017/18	428,456	34,276	46,273,200
2018/19	462,732	37,019	49,975,100
2019/20	499,751	39,980	53,973,100
2020/21	539,731	43,178	58,290,900
2021/22	582,909	46,633	62,954,200
2022/23	629,542	50,364	67,990,600
2023/24	679,906	54,392	73,429,800
2024/25	734,298	58,744	79,304,200
2025/26	793,042	63,443	85,648,600
2026/27	856,486	68,519	92,590,400
2027/28	925,004	74,000	99,900,400
2028/29	999,004		

# EXHIBIT C

**Natalie McIntosh**

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**From:** Robert Klahr [RKLahr@ArmstrongTeasdale.com]  
**Sent:** Thursday, August 26, 2010 10:45 AM  
**To:** Natalie McIntosh  
**Cc:** Lori Bockman  
**Subject:** Olive/Graeser TDD -- Certificate of Reimbursable Project Costs [IWOV-IDOCS.FID1802179]

Natalie:

In accordance with Section 3.1 of the District Development Agreement dated as of August 31, 2009 between the City of Creve Coeur, Missouri, Pace-Creve Coeur Associates, L.L.C., Creve Coeur Real Estate Venture IV, LLC, Forsyth Investments LLC, First Community Credit Union, Adkins Farms, Inc., D Hutkin Family Investors, LLC, Ora Properties, LLC and 10923 Olive Partners, L.L.C., and the Olive/Graeser Transportation Development District (as amended, the "Development Agreement"), I have reviewed the Developer's Certificate of Reimbursable Project Costs dated August 4, 2010, as supplemented by the additional information provided by the Developer via e-mails on August 13, 2010 and August 26, 2010 (as supplemented, "Certificate #1").

Certificate #1 requests reimbursement of costs in the amount of \$314,696.

Based upon my review, I have determined that the costs identified in Certificate #1 constitute TDD Eligible Costs within the meaning of the Development Agreement.

If you have any questions or need further information, please do not hesitate to contact me.

Thanks,

Rob



Armstrong Teasdale LLP  
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