

MEETING
OLIVE/GRAESER TRANSPORTATION DEVELOPMENT DISTRICT
BOARD OF DIRECTORS

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

Thursday, January 13, 2011
Immediately following 4:00 p.m. property owners' meeting

MINUTES OF MEETING

*The audio of this meeting will be posted on the website of the City of Creve Coeur:
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 4:10 p.m.

2. ROLL CALL.

Directors present: Rocky Adkins
Joe Beaudean
Denise Chomicki
Steve Heitz
David Hutkin
Carole Jamison
Rick Matejka
Les Steinberg

Directors absent: Stacy Manolakas *(not present during roll call, but joined the meeting during old business/status update on construction)*

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
Tom Stern, representing property owners Forsyth Investments LLC
and Bettie Gershman, Trustee of the Bettie Gershman
Revocable Trust dated August 29, 1995, as amended

3. PUBLIC COMMENTS.

An opportunity was presented for persons in the audience to make public comments.

Mr. Klearman expressed his appreciation of Pace's efforts to complete the project. He asked whether notice of the construction delay [delivered by Pace to provide notice under the District Development Agreement that the stoplight would not be activated by January 1, 2011 due to force majeure] was given to the Missouri Highways and Transportation Commission ("MHTC") pursuant to the cooperative agreement between the District and MHTC. Mr. Klearman stated he wants the District to be in compliance with that agreement. Mr. Heitz stated that Pace did not give notice to MHTC because it is not necessary under the cooperative agreement.

Mr. Klearman reaffirmed his desire to get new businesses into the District, preferably Microsoft and Apple, to increase sales tax revenue, and he distributed information to brief the directors on his efforts in this regard (see Exhibit "A" attached hereto and incorporated herein by reference). Mr. Klearman requested input from the District's directors at the Creve Coeur Economic Development Commission meeting in February.

4. REVIEW AND APPROVAL OF MINUTES OF BOARD OF DIRECTORS MEETING HELD ON AUGUST 26, 2010.

Mr. Heitz moved to approve the minutes of the Board of Directors meeting held on August 26, 2010. Ms. Jamison seconded the motion, which carried 8-0.

5. OLD BUSINESS.

- a. Status update: Construction of project

Ms. Manolakas joined the meeting.

Mr. Heitz explained that the weather has delayed Pace's progress on construction of the project. Frozen ground and low temperatures have interfered with the contractors' ability to lay concrete and asphalt. Only fourteen working days are needed to complete the project. Mr. Heitz stated that MoDOT may allow Pace to open the new Dautel and activate the stoplight if a temporary striping plan is approved. It is not yet decided whether Pace will pursue that option.

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

Ms. McIntosh stated that the property owned by Ms. Gershman's trust was added to the District on September 2, 2010, and the businesses on that property are now collecting the TDD sales tax.

- c. Sales tax collection report.

In the meeting packet, the directors received a summary of the TDD sales tax collections for 2010, showing that a total of \$49,009.96 was collected from May through December. Mr. Smith stated that the sales tax collections are pretty close to the City's estimate for the District.

6. NEW BUSINESS.

- a. **Resolution No. 11-001: A resolution appointing officers and agents of the Olive/Graeser Transportation Development District and acknowledging a change in address for the District's custodian of records**

Ms. McIntosh explained that the Board of Directors appoints officers annually, and that this resolution will also document a change of address for the District's custodian of records.

Mr. Heitz moved to approve Resolution No. 11-001 as presented. Mr. Hutkin seconded the motion, which carried 9-0.

- b. **Resolution No. 11-002: A resolution approving Certificate No. 2 for Reimbursable Transportation Project Costs and actions in connection therewith**

Ms. Manolakas asked about the relationship of project costs to the budget and whether any items remaining might exceed budgeted amounts. Mr. Heitz stated that the potential items are (1) construction inspection, because of the extended time to complete the project, which might exceed the budgeted amount by \$15,000 to \$20,000, and (2) testing, which may exceed the budgeted amount by \$2,500 to \$5,000. Mr. Heitz reiterated that the original cost estimate for the project was based on an aerial photo and did not account for any underground issues.

Ms. Manolakas asked whether future legal fees were expected to be under the \$15,000 cap on TDD Administrative Costs under the District Development Agreement. Ms. McIntosh stated that with the District formation issues resolved, the legal fees should stay under \$15,000 a year.

Ms. Manolakas moved to approve Resolution No. 11-002 as presented. Ms. Chomicki seconded the motion, which carried 9-0.

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

Ms. McIntosh stated the District's current request to receive monthly sales tax reports from the Department of Revenue expires at the end of January 2011.

Ms. Chomicki made a motion to request monthly sales tax reports from the Department of Revenue through the end of September 2011. Ms. Manolakas seconded the motion, which carried 9-0.

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 September 28, 2010 through December 17, 2010 (corresponding to time entries from August through November 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.

Mr. Matejka moved to approve the Jenkins & Kling, P.C. invoices as presented. Mr. Heitz seconded the motion, which carried 9-0.

e. Schedule of future Board meetings

No future meetings are scheduled at this time. The next meeting will likely be scheduled when Pace submits its next certificate of reimbursable costs.

7. ADJOURNMENT.

There being no further business, Mr. Heitz moved to adjourn the meeting. Mr. Adkins seconded the motion, which carried 9-0.

The meeting was adjourned at approximately 4:35 p.m.



Jennifer de Lyon Stralka, Assistant Secretary of the
Olive/Graeser Transportation Development District

Date approved: May 5, 2011

EXHIBIT A

Natalie McIntosh

From: MELVIN KLEARMAN [melklearman@att.net]
Sent: Tuesday, January 18, 2011 12:22 PM
To: Natalie McIntosh
Subject: Handout at meeting

Natalie:

I do not have programs on my computer to transmit copies of my handout at the last meeting. I have to call my grandson when I have computer problems.

I hope this works. If not, let me know and I will try something else.

Mel

Full text of email sent Thursday, December 16, 2010 9:42 a.m.

To: Mayor Dielmann and
Creve Coeur Council Members: Bryant, Hoffman, Haddenhorst, Kistner, Kreuter, Nealey, Rhoades and Wang:

re: interest rates & OGTDD bonds

Just since Tuesday's (14 Dec) market opening and at the time of this writing (Wednesday (15 Dec) 4:00 p.m.), the 10 year Treasury Note interest rate rose from 3.28% to 3.52% at Wednesday's market close. The interest rate on 11 Oct was 2.34%

All this despite the Fed's aggressive buying of U.S. debt to keep interest rates low.

One must ask: "are the Sovereign Debt problems in the Euro Zone now spreading to the U.S.?" Did the U.S. make a deal at the last G-20 meeting to stop the decline of the dollar?

Who knows? However, this sharp rise in the 10 yr. T-Note interest rate compels one to consider the above possibilities.

How does this affect the OGTDD bond issue? It makes an interest rate of 8% to sell the issue more probable and the need for the annual \$55K (and maybe more) from our City a certainty.

Let me remind you, at the pre-construction conference, 30 November was the completion date given for alignment and the Olive road project.

Also, WE (including me) approved a total project completion date extension (including the Walgreens) to 1 year from MoDOT acceptance which translate to 28 May 2011. This is a long time away.

Taking all this in consideration, we must increase efforts to fill the 28 vacant stores along Olive with sales tax revenue producing vendors to hedge against a worse case interest rate scenario.

As a start and since advances in computer and communication technology are the current (and will continue to be) "hot items", it is my marketing plan to bring together in one location, manufacturers, vendors and repair services of current and future advanced computer & communication devices, applications, software and hardware for businesses and the individual

consumer.

Hopefully the selected location will become "a must" location for introducing, demonstrating and selling current and future technological advances.

I again urge Mayor Dielmann and the Council to take the lead and call for a strategy meeting of property and business owners.

Sincerely, Mel Klearman
Director Advisor, OGTDD

Response from Creve Coeur City City Manager Perkins:

RE: [mayor-council] OGTDD and Interest Rates
Thursday, December 16, 2010 10:20 AM

From: "Perkins, Mark C." MPerkins@ci.creve-coeur.mo.us

To: "LauraBryant" laura.bryant@yahoo.com**

**Cc: "Ryan, Deborah" dryan@ci.creve-coeur.mo.us,
"JeanneRhoades" [** rhoades.jeanne@yahoo.com](mailto:rhoades.jeanne@yahoo.com),
"Weiss, Melissa" mweiss@ci.creve-coeur.mo.us, melklearman@att.net**

Laura, We have forwarded Mel's suggestion to the EDC**, and I will ask Melissa to forward your follow up comments as well. The next meeting of the EDC is tentatively scheduled for Thursday, January 20, 8 am in the Govt Center.

Mark Perkins, ICMA-CM
City Administrator
City of Creve Coeur
300 N. New Ballas Road
Creve Coeur, MO 63141
314.872.2511
www.creve-coeur.org

** EDC = Economic Development Commission
** Laura Bryant = Creve Coeur Council Member, Ward 4
** Jeanne Rhoades = Creve Coeur Council Member, Ward 4

Council Member Bryant's "Follow up comments":

Mel: Thank you, as always, for your hard work and follow up. However, as you know, I am strongly committed to a level playing field in the City of Creve Coeur, so any business development strategy meeting that is called by our City should include all businesses and property owners, not just those located in a certain TDD. In my opinion, favoring one business over another -- based on nothing but its location in or out of a TDD -- is not a fair nor sustainable long-term strategy for our City. I believe the suggestion for you to approach the City's Economic Development Commission was a good one. Perhaps they can help figure out a more broad-based and equitable strategy? Thanks again for your efforts.

Laura Bryant Ward 4/Creve Coeur City Council