



# FOREST PARK SOUTHEAST NEIGHBORHOOD ASSOCIATION

## JULY 2020 MEETING MINUTES

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21 JULY 2020 / 6:45 PM / Zoom

### MEETING MINUTES

**6:45** Meeting Called to order (*Vincent Chewing*)

#### FPSE Neighborhood Business

**6:45 – 6:50 pm** Crime and Safety Report (*Ed Slade*)

- Ed Slade was unable to attend or provide a crime report this month.
- WUMCRC's crime report was not presented, but can be found here:  
<https://ccwestsafety.wordpress.com/criminal-activity-maps/>

**6:50 – 6:55 pm** Treasurer's Report (*Steve Chodes*)

- No updates to the treasurer's report for July.
- Steven is transitioning onto the account and removing the Board's former treasurer from the account.
- The live digital copy of the treasurer's report can be found on our website here:  
<http://www.forestparksoutheast.com/about/treasurers-report/>

**6:55 – 7:00 pm** Neighborhood Improvement Specialist Update (*Ron Coleman*)

- Local businesses have been struggling - continue to patronize them. And continue to look out for you neighbors
- Ward's budget has been cut in half due to the pandemic, which impacts street repaving, street trees, ADA ramps, refuse, etc.
  - Expect a services slow down (refuse, bulk pickup)
  - Contact the City Service Bureau for service issues by phone, tweet, and more: <https://www.stlouis-mo.gov/csb/>
- City did tap into federal money through the CARES Act, so there's money for mortgage and rental assistance. You can go to the City's website for more info:  
<https://www.stlouis-mo.gov/government/departments/human-services/cares-act-rental-mortgage-assistance.cfm>
- The City is hiring:  
<https://www.stlouis-mo.gov/government/departments/personnel/jobs/index.cfm>

**7:00 – 7:25 pm** STL City Geographic Information Systems (*Tim Callahan*)



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- In charge of geographic databases and collects data in real-time, with data from streets, lights, parks departments and more. Uses that data to create visual maps to help display, communicate and inform departments.
- Tim would like to use the FPSE as a test to collect data around the neighborhood, including, for example, trees, and make the database more accurate to strategically plant trees and create a more aesthetically pleasing neighborhood. Wants to gauge neighborhood interest. Tim can sign individuals up the database. Then residents can download an app and help collect data.
- Geo St. Louis will be decommissioned but a new program is expected to take its place - "To be continued"
- General Member: Tax abatement map be put back up?
  - Tim is unaware, but can be emailed.
- General Member: Have you thought about high school student intern volunteers?
  - Tim: Is open to creative ways to get more data. Coordinate with Tim to help.
- General Member: Trees have been marked to cut down. That would be helpful for identifying trees that need to be dealt with in some way.
  - Tim: Agreed, as well as species.
- General Member: Will bring this up at the next infrastructure meeting.
- You can contact Tim to coordinate helping: [callahant@stlouis-mo.gov](mailto:callahant@stlouis-mo.gov).

Discussion: FPSE development, FPSE DC, Airport Privatization (*Community, FPSENA Board*)

- **Infrastructure Committee:**
  - Basketball courts at Chouteau Park is still in progress. Funding is there, the estimate is prepared, they're waiting to send out for bids until they can finalize budgets for all departments. Right now it is logistical issues holding up construction. Expected construction is 2020.
  - The Committee will get together next month to discuss ways to raise funding. Continue to send requests and concerns to the Infrastructure Committee.
  - General Member: Any info on the Ronald McDonald House?



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- Ron Coleman: They are planning to move forward. They do own the property. They're fundraising right now.
- Airport Privatization (*Cara Spencer*):
  - Cara: The effort to privatize the airport is funded by one of our most prolific, politically active billionaires in the region. We know there's going to be a lot of money behind the ballot initiative. I'll admit the idea of privatizing the airport is an intriguing one. In theory, we could improve the airport and we could enjoy an influx of capital for city neighborhoods. But the reality is this particular plan, both the petition and the board bill, are incredibly risky. We have about 500 commercially available public airports in the United States. They're federally funded with grants. We get several million dollars in grants every year for infrastructure and other things across the country. In the continental United States, there's only been one airport in the almost 40 years that a private plan has been around that has opted to move forward with it. And that was in upstate New York and it ended in a complete failure. It cost the local taxpayers twice what they got out of it to regain control of that assets. A mistake of that magnitude here in St. Louis, could bankrupt our city. And so I think not only is this important to folks who use the airport and could potentially see some changes to it, but for those who pay taxes to the city and participate and the economic well-being of our community. The plan itself is fraught with a lot of concerning details. For example, the due diligence and they have the proposed operators of the airport is just 30 days. So if you think about selling off your house, the first thing you may want to do is get an assessment of what you think the house is worth. In the case of selling off the leasehold interest of our airport, we are considering doing that without any valuation of what the asset is worth. And the lessee would have the option of selling off the city's land for an amount of profit to themselves. And we have failed to even identify what the value of that asset is. I'm very concerned about the very short turnaround associated with this particular proposal. After the vote, biters would have



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just 30 days to submit a fully financed over billion dollar proposal really securing something that would be very, very hard to do. It's almost impossible to think that somebody would do that and it really to me smacks of something that looks like an insider deal, frankly. And that has some alarm bells ringing. I'm not making any accusations there, but it certainly is something that throws alarm bells.

- General Member: Can you speak a little bit about the union opposition to the private privatization? The SEIU represents workers at the airport and they are opposed.
  - Cara: That's right. There's several other smaller unions. And I think you're going to see, in the next 24-48 hours, a large number of other unions coming out against both the board bill and the petition. That's something that hasn't been finalized yet, but is being discussed within the union community. And I think the reason for that being is that this is not the most responsible way of considering an investment in our largest asset. I think you're seeing widespread opposition. Of course the carpenters union is behind it. But they stand almost alone in that support.
- General Member: Could inform us a little bit about your thoughts on the relative health of the airport, in terms of what kind of finances would be necessary to bring it up to a level that you would feel is a good quality as opposed to what might happen were the assets sold or leased to an outside entrepreneur.
  - Cara: In the future dictated by private interests rather than the public interest. So, you know, we have a significant amount of need, I think to upgrade the airport - when we lost our hub status, we were lucky to have gained a tremendous director of our airport operations, who has grown the airport's function much faster than our regional economy has grown. So airports typically kind of work in concert with the underlying economic environment that they exist in, but our airport is growing much faster than our regional economy. In fact, of the medium sized hubs, we're number two



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in the nation and coming back after COVID. And we're seeing a tremendous amount of growth despite the downturn in the economy in the lower level of travel that you see nationwide. And that is a testament to the leadership that we currently have out there, but we do have a lot of work that needs to be done. We're currently still paying off the bonds from the last project out there. But we are performing so well that we're scheduled to roll that debt off in the next five years. And so right now is really the time where we can and should be talking about what the next phase looks like. Most major airports do carry a significant amount of debt. And we are positioned with such high bond rating that we could easily find out another. Another project out there. If you look at for example, what Kansas City recently did, they went before their voters and got a big bond initiative of a billion dollars to expand their airport. And that's something we could consider doing here. And something we should be looking at right now from maybe from a regional perspective and leveraging some of the partners that we have outside of the city considering moving up just 10% of the Metropolitan Statistical Area. So I think that would be a conversation that we should engage in, not maybe just with our one airport, but with some of the other regional airports and maybe even consider including some of the others regional transportation assets like the Metrolink and like our port, we happen to have the second largest inland port in the United States here in St. Louis. But looking at as a whole, rather than siphoning off just one one asset here.

- General Member: What would be gained by leasing the property?
  - Cara: What's on the table right now is a minimum of \$1.7 billion. We do have a significant amount of debt that would come off the top, paying that debt off early rather than waiting that five years or so till it rolls off carries a \$220 million early payoff fee that would come right off the



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top. If you look at what we're potentially getting out of this \$1 billion, to give you some perspective, that's a little less than one year annual operating budget for the city for a 49 year lease. So it's really not an enormous amount of money. And again, we don't know what the value of the asset is. And talking to Rhonda, the last valuation that was conducted on the airport activity, economic activity showed about \$4 billion in annual economic activity generated by the airport. So thinking about it in those terms, really raises some eyebrows and has you wondering what is the actual value and if we're thinking about privatizing it, is the onset of a very volatile national-international economic environment. Really the time to be considering doing that and can we properly evaluate it right now? was so much up in the air because of COVID.

- General Member: What do airlines and car rental companies think about the proposal?
  - Cara: Those folks have been typically kind of on the quiet side, they're not being very public. But I think there are a lot of concerns here behind the scenes about what this means. The airport industry in the United States is regulated by the federal government in those landing and those take-off fees are regulated, except in the case of fully privatized airports, in which case, there is some volatility in that marketplace. And so I think rightfully so, there are some concerns. You know, I've heard some pretty negative rumors about what the future looks like for specifically American Airlines here. And I think that the threat of privatization is a part of that discussion. We've lost a lot of employees actually at the airport who had been fearing for their jobs. And they've left for more stable pastures and other airports to work for, which has been very unfortunate.
- General Member: Is the airport losing money?



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- The airport is not losing money. The airport is set up as an enterprise Fund, which means it's a quad is a separate government entity that doesn't actually take any tax dollars in from the city of St. Louis. It's paid for by user fees. So anybody who uses the airport to fly in and out of it, park, and even purchase a coffee, those are the fees that really fund the airport and there are no additional tax dollars that go into it. We're unique in that we actually extract tax dollars out of it. I talked about the federal grants that go into airports, really, that federal program precludes airports from driving revenue into the cities that own them, we're one of just 12 that receive funding from the airport, we get almost \$7 million a year from them from our from the airport. What's really driving this, I think, is the idea that we can extract value from the airport and use it to maybe fix or address some of the systemic issues within the city of St. Louis. We have a lot of unmet needs, roads that need to be paved parks that are in disrepair and communities that have been disinvested off for a long time. And the idea of having an amount of cash to address some of that is an attractive one. I just think that there are other ways that we can achieve that more responsible, well-thought-out long-term plan that would better serve our community.
- General Member: Can you speak to how this particular vote would impact the money for the consultants who looked into privatization?
  - Cara: So back four years ago, when the conversation about privatizing our airport first emerged almost four years ago, this was an idea that was funded by Rex Sinquefield. And I think that is a name that tends to raise some eyebrows and some concerns that rightfully so. And it was that firm, the entity that paid for the initial steps and have invested a significant amount of, quote unquote, consulting work through the process, although, to be honest, I haven't seen



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much of the actual output from that. So far, it has dragged at that intensity or with the consultants involved have wrapped up about \$44 million in fees, which is quite significant, honestly in just a couple years time. When the city had an agreement with those entities it carried a tail clause, so when that contract was dissolved earlier last year when the mayor pulled the plan with the FAA, the tail clause went into effect and it said that if a deal was closed within 18 months of the dissolution of that contract, the consultants and the funders would get paid out of the proceeds. And so if the vote goes in November, and the bill was organized in such a way to ensure that we wrap this up in that 18 month tail clause, which would thereby keeping the city on the hook for paying the consultants back, and I think that's a mistake. I don't see \$44 million in value here. And I think we ought to take a longer range view and what we have before us. I think it was a very tainted process from the beginning. You may remember those same consultants who engaged in a process to consult the city also won the contracts of the RFP that they helped consult us with and building the RFP, so it was a very circular situation. And seemingly from my vantage point, there was some self servingness associated with it. So some concerns about paying that out.

- General Member: What would it take to get the valuation of the airport? Would the Board of Alderman need to approve it?
  - Cara: Even when we were looking at this last year before, the last proposal was pulled, there was a six month due diligence period built on either side of it, and that was the period during which the city would conduct a financial assessment of the value of the asset. And you know, there that this is a very serious matter. As Alderman Roddy pointed out, this is very complex stuff. And you have to have folks who really know airports and know how they function and how the markets work within them to understand





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the true value of the asset and this would be a project that would not come easily. We would have to hire out professionals to provide that information to us. And I think it would take a couple of months to produce. But I definitely think that if we are considering selling it off, just like we're considering selling off your house, you know, you have somebody come in and assessment done on what the value of that asset is. We should be doing the same here with this. That would be something that could be handled within the airport leadership probably. And something I don't know exactly how that could be done. It certainly can't be done in a 30 day window here that we're talking about. But it is something that we should consider that we need to do if we're going to consider selling off the leasehold interests of it.

- General Member: Would there be different flight routes under privatization?
  - Cara: That's an unknown. So one of the things that's really missing from this particular proposal before us is protection for high functionality of our airport. While there's a clause in the bill that kind of says they have to stay within some level, there's not really any ramifications if they don't. So we have no protections in place to know whether or not a private operator would have to follow to increase or even save us from decreasing those offerings. A lot of that's built on relationships. And again, testament to the director out there has built such a phenomenal relationship with Southwest as to rebuild a hub status here in St. Louis. I think we are the only airport in the nation to lose the hub status and then regain a sub status and with Southwest, so we're very, very lucky in that. And a lot of that is built on the relationships of the folks involved, including the airlines. But there's no guarantees on that. And that's a large unknown. When we saw privatization take place in upstate New York, one of their biggest airline



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carriers pulled out because of the volatility associated with pricing in privatized airports and that decimated the private operators ability to really function well and when they pulled out and the taxpayers were left kind of holding the bag and having to take over take over that. What became then a compromised asset.

- Roddy: Alderwoman Spencer did a remarkable job of waging her opinion on this particular issue. And I found it persuasive. I think there's one or two of us that were kind of swing votes, which is We voted for this at perfection. And Kara pointed something out to me when she was able to obtain the legal opinion. This is really in the weeds, but there was the initiative petition was scheduled to go on November. And that was the basis for while they were asking us to pass the ordinance that would put it on the ballot as an alternative. So we would have a really unfavorable alternative of selling with the initiative petition. And the idea was that we would put something on the ballot that would be less unfavorable. This stuff gets so complicated on putting it on the ballot looks as if that may not go on to valid November. Is that correct?
  - Cara: I think that's a question still. I'm hoping that we're victorious and the City council or the top legal advisor for the city has agreed with my position on this, that this was outside of that their petition is outside of legal bounds. So this maybe an issue for the courts to decide. But hopefully, we can resolve it sooner than that. And then in which case, it might not be on the ballot, and my efforts here are moot. But I feel so strongly that I'm willing to come down and talk about it in the event that it might happen.
- Roddy: The reason that that kind of persuaded me is if that's even pushed back, all this stuff was the timelines and everything were really being dictated by a contract the city had signed with the consultants that all of this stuff triggered them getting reimbursed. So it's almost like we're jumping through all these



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hoops, just so that we get inside that deadline which became more abundantly clear. As time went on. The only other thing I would comment on if I could disagree, I won't even say it's disagreement, because I ended up with ultimately agreeing with Alderwoman Spencer and voting with her, but it's just the arguments for looking into it. Well, it could end up being a huge catastrophic mistake, the reality is there's a few thousand acres out there that are developable land and that could unlock an enormous development opportunity. It could be worth a tremendous amount of money. The other thing is - kind of bizarre about our situation - is that land is actually not in St. Louis City's - it's in St. Louis County. So all the sales tax dollars, the real estate, everything else that private enterprises pay, actually go to St. Louis County. So St. Louis County makes far more money off the airport in St. Louis City does - ours is capped at six to \$7 million a year and we'll never be able to get more than that unless we privatized it. So the argument is, is that by privatizing it, we could capture that acreage and there's real and there ought to be a real motivation for St. Louis County to work with us. Because if you develop a couple thousand acres, increase retail sales and everything could be very, very beneficial for them. Most municipalities capture sales tax dollars and all the private development taxes on private development. We're not doing that. I don't think that contradicts anything you said Alderwoman. Spencer, it's just that, again, it's kind of a unique situation that it's located in St. Louis County.

- You can reach out to Alderwoman Spencer for any questions or concerns at [cara@caraspencer.com](mailto:cara@caraspencer.com).
- Park Central Development Assistance Programs
  - **Stay in Place Program:** Park Central is assisting low-to-moderate income households or individuals with funds to supplement a security deposit or first month's rent, with rental assistance, or with emergency utility funds to prevent disconnection.
  - **Free Seasonal Exterior Maintenance for Seniors:** PCD is also offering a seasonal exterior maintenance and repair program



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dedicated to helping seniors 60+. Maintenance and repair include helping with beautifying the outside of their homes through lawn mowing, tree removals, fence/porch repairs, etc.

- Diapers and Baby Supplies Giveaway: In partnership with STL Diaper Bank and Flourish STL, Park Central is hosting a diapers and baby supplies giveaway. The event is free and open to all households with children under the age of four, with a limit of 50 diapers per child. A face mask is required for pick up. The event is Thursday, July 30th from 12pm-2pm at Park Central Development, or while supplies last.
- For any of the programs above, please contact our Resource Specialist Nanyamka Brown at 314-643-8261 or email [NBrown@pcd-stl.org](mailto:NBrown@pcd-stl.org) for more information and to sign-up.
- Secretary 17th Ward Dems (*Maggie Lalor*)
  - Meeting Thursday, July 23 on the vote to expand Medicaid. If you'd like to take part in that:
  - Facebook event for 17th Ward Zoom meeting <https://www.facebook.com/events/694546634703695/>. And Zoom Info: <https://us04web.zoom.us/j/79863186692> or call: (415) 762-9988 and follow the verbal instructions.
- Dury Topic (*Vince Chewing*)
  - All developments nationwide are suspended.

**7:45 PM** Adjournment (*Vincent Chewing*)

### FOREST PARK SOUTHEAST EVENTS:

**Events in The Grove:** [calendar.thegrovestl.com](http://calendar.thegrovestl.com)

### ADDITIONAL FOREST PARK SOUTHEAST ORGANIZATIONAL MEETINGS:

**Grove CID :** 2nd Monday of every month @ 11:00AM at the PCD Office

**FPSE Dev. Committee:** 4th Tuesday of the month @ 5:30PM at the PCD Office

**FPSE Inf. Committee:** 3rd Monday of the month @ 6:00PM at the PCD Office