

**REPORT
ST LOUIS COUNTY COUNCIL
ETHICS COMMITTEE**

The Ethics Committee of the St. Louis County Council met on February 13, March 6, March 27, April 26 and June 12, 2018 to discuss current contracts for lease of space in the Crossings at Northwest Office Tower for use by various County offices. The meeting of April 26, 2018 was held specifically to review questions for witnesses, particularly the County Executive, in the committee's inquiry into the leases. The meeting of June 12, 2018 was held specifically to review and consider the Committee's report to the Council regarding the leases.

ATTENDANCE AT THE MEETINGS

February 13, 2018: Committee Members present on February 13, 2018 were Committee Chair Ernie Trakas and Committee members Hazel Erby and Sam Page. Councilwomen Rochelle Walton Gray and Colleen Wasinger also attended the meeting.

Representatives of other St Louis County Departments present were:

Peter Krane County Counselor
(joined the meeting in progress)

Genevieve Frank, Administrative Director for the Council, was also present.

A list of others in attendance at the meeting is attached to this report.

March 6, 2018: Committee Members present on March 6, 2018 were Committee Chair Ernie Trakas and Committee members Hazel Erby, Sam Page and Mark Harder. Councilwoman Rochelle Walton Gray attended the meeting until 2:08 p.m.

Representatives of other St Louis County Departments present were:

Peter Krane County Counselor

Genevieve Frank, Administrative Director for the Council, was also present.

A list of others in attendance at the meeting is attached to this report.

March 27, 2018: Committee Members present on March 27, 2018 were Committee Chair Ernie Trakas and Committee members Hazel Erby, Sam Page and Mark Harder. Councilwomen Rochelle Walton Gray and Colleen Wasinger also attended the meeting.

Genevieve Frank, Administrative Director for the Council, was also present.

A list of others in attendance at the meeting is attached to this report.

April 26, 2018: Committee Members present on April 26, 2018 were Committee Chair Ernie Trakas and Committee members Hazel Erby, Sam Page and Rochelle Walton Gray.

A list of others in attendance is attached to this report.

June 12, 2018: Committee Members present on June 12, 2018 were Committee Chair Ernie Trakas and Committee members Hazel Erby, Sam Page and Mark Harder. Councilwoman Rochelle Walton Gray attended the meeting.

Representatives of other St Louis County Departments present were:

Peter Krane County Counselor

Genevieve Frank, Administrative Director for the Council, was also present.

A list of others in attendance at the meeting is attached to this report.

MEETINGS CONVENED

February 13, 2018: Committee Chair Trakas called the meeting to order at 4:01 p.m. and stated, "The Committee takes official notice of and admits into evidence all St. Louis County Ordinances and Resolutions."

March 6, 2018: Committee Chair Trakas called the meeting to order at 1:36 p.m. and stated, "The Committee takes official notice of and admits into evidence all St. Louis County Ordinances and Resolutions."

March 27, 2018: Committee Chair Trakas called the meeting to order at 3:04 p.m. and stated, “The Committee takes official notice of and admits into evidence all St. Louis County Ordinances and Resolutions.”

April 26, 2018: Committee Chair Trakas called the meeting to order at approximately 2:30 p.m. and stated, “The Committee takes official notice of and admits into evidence all St. Louis County Ordinances and Resolutions.”

June 12, 2018: Committee Chair Trakas called the meeting to order at 5:02 p.m. and stated, “The Committee takes official notice of and admits into evidence all St. Louis County Ordinances and Resolutions.”

COMMENTS – OTHER INTERESTED PERSONS

February 13, 2018: Matt Conly, St. Ann City Administrator provided comment to the Council.

RECOMMENDATION AND AJOURNMENT

February 13, 2018: The meeting adjourned without further recommendation at 5:53 p.m.

March 6, 2018: The meeting adjourned without further recommendation at 3:55 p.m.

March 27, 2018: The meeting adjourned without further recommendation at 5:03 p.m.

April 26, 2018: Moved by Councilman Trakas, seconded by Councilwoman Erby and carried to approve the draft questions as written and deliver them to the County Executive from the Committee. The meeting adjourned approximately one minute, 51 seconds after the call to order.

June 12, 2018: Moved by Councilman Trakas, seconded by Councilwoman Erby to adopt the report as amended pursuant to Councilman Harder’s suggestions, and the recommendations contained therein. Motion passed unanimously. Meeting adjourned at 5:24 p.m.

SCRIVENER’S NOTE: The Committee’s final report as submitted to and amended by the Committee on June 12, 2018 is attached. The Committee’s recommendations can be found on pages 24-25 of the final report.

MEMBERS OF THE COMMITTEE

Ernie Trakas, Chair

Hazel Erby, Member

Sam Page, Member

Mark Harder, Member (*appointed to the Committee 2/16/18*)

SCRIVENER'S NOTE: All documents reviewed by the Committee and the Committee file are on file with and available from the Office of the St. Louis County Clerk. Audio recordings of all of the Committee's meetings can be obtained by contacting the office of the St. Louis County Clerk.

**ST. LOUIS COUNTY COUNCIL
ETHICS COMMISSION
MEETING OF FEBRUARY 13, 2018
4:00 P.M.**

PURPOSE: To discuss current contracts for lease of space in The Crossings at Northwest Office Tower for the use by various County offices.

PLEASE PRINT YOUR NAME AND ADDRESS. IF YOU WISH TO SPEAK PLEASE CHECK ✓ BOX

NAME	ADDRESS OR DEPARTMENT	PHONE NUMBER	IF YOU WISH TO SPEAK ✓ BOX
Garry Earls	63017	314-486-0683	<input type="checkbox"/>
Ted Medler	Trans/PW	314-615-8637	<input type="checkbox"/>
Jane Dueker	63017	314-265-5072	<input type="checkbox"/>
Paul Hampel	63144		<input type="checkbox"/>
Joel Hunt	Trans/PW	314-615-7153	<input type="checkbox"/>
Bruce Korte	T/PW	615-8124	<input type="checkbox"/>
CRYSTAL OLETT	ASSESSOR	X52573	<input type="checkbox"/>
Matt Conley	City of St. Louis	SLC-2399	<input checked="" type="checkbox"/>
Kevin Jones	FWCA/Crossings	314-615-6067	<input checked="" type="checkbox"/>
DEBORAH O. STOVALL	FWCA/CAREER CENTER	314-615-6032	<input checked="" type="checkbox"/>
Dan Dreisewerd	St. Louis County		<input type="checkbox"/>
Cordell Whitlock	CE Office		<input type="checkbox"/>
Paul Miller	CE Office		<input type="checkbox"/>

PURPOSE: To discuss current contracts for lease of space in The Crossings at Northwest Office Tower for the use by various County offices.

**IF YOU WISH TO
SPEAK ✓ BOX**

24-732-9985



**ST. LOUIS COUNTY COUNCIL
ETHICS COMMISSION
MEETING OF MARCH 6, 2018
1:30 P.M.**

PURPOSE: To discuss current contracts for lease of space in The Crossings at Northwest Office Tower for the use by various County offices.

PLEASE PRINT YOUR NAME AND ADDRESS. IF YOU WISH TO SPEAK PLEASE CHECK ✓ BOX

NAME	ADDRESS OR DEPARTMENT	PHONE NUMBER	IF YOU WISH TO SPEAK ✓ BOX
Joe Bonnist	STL Partnerships	308-5062	<input checked="" type="checkbox"/>
Stephanie Leon Shooter	T/PW	615-8119	<input type="checkbox"/>
DAVID WRONE	T/PW	615-8173	<input type="checkbox"/>
Don Dreisewald	T/PW	615-8170	<input type="checkbox"/>
Garry Earls		314-486-9683	<input type="checkbox"/>
Katie Jenner		314 480 1500	<input type="checkbox"/>
Matt Conley	St. Ann	314.568-2399	<input type="checkbox"/>
DEBORAH D. STOVALL	WFD	314-615-6032	<input checked="" type="checkbox"/>
Kevin L. Jones	WFD	314.615.6067	<input checked="" type="checkbox"/>
Jane E Decker		314 265 5072	<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>

**ST. LOUIS COUNTY COUNCIL
ETHICS COMMISSION
MEETING OF MARCH 27, 2018
3:00 P.M. (3rd Session)**

PURPOSE: To discuss current contracts for lease of space in The Crossings at Northwest Office Tower for the use by various County offices.

**PLEASE PRINT YOUR NAME AND ADDRESS. IF YOU WISH TO SPEAK
PLEASE CHECK ☒ BOX**

NAME _____

**ADDRESS OR
DEPARTMENT**

**PHONE
NUMBER**

**IF YOU WISH TO
SPEAK ✓ BOX**

Anthony Badro

Katie Jenner

314-490-1500

Tom Sullivan

— 34-732989B

Jane Ducker

314 265 5072

**ST. LOUIS COUNTY COUNCIL
ETHICS COMMISSION
MEETING OF APRIL 26, 2018
2:30 P.M.**

PURPOSE: Review Questions for Witnesses in Committee's Inquiry into County Leases at the Crossings at Northwest.

**PLEASE PRINT YOUR NAME AND ADDRESS. IF YOU WISH TO SPEAK
PLEASE CHECK ✓ BOX**

[illegible]

Steph Kulcukyan SLB) 421-8386

St. Louis County Council



1st District
HAZEL M. ERBY

2nd District
SAM L. PAGE

3rd District
COLLEEN M. WASINGER

4th District
ROCHELLE WALTON GRAY

5th District
PATRICK M. DOLAN

6th District
ERNIE G. TRAKAS

7th District
MARK A. HARDER

SAM L. PAGE
Chairman

HAZEL M. ERBY
Vice Chairman

GENEVIEVE M. FRANK
Administrative Director

314 / 615-5440
FAX: 314 / 615-7890

REPORT OF THE ETHICS COMMITTEE OF THE ST. LOUIS COUNTY COUNCIL REGARDING THE REDEVELOPMENT OF NORTHWEST PLAZA

JUNE 12, 2018

Honorable Ernie Trakas, Chair
Honorable Hazel Erby, Member
Honorable Mark Harder, Member
Honorable Sam Page, Member



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I. Executive Summary

On August 30, 2016, the County entered two leases for space at the redeveloped Northwest Plaza shopping mall, in a development now known as Northwest Crossings ("NWC"). The first lease was entered between the County and Specklebelly LLC for 140,082 square feet on the first floors of Buildings 700 and 800.¹ The second lease was entered between the County and Gadwall LLC for 15,193 square feet of space on the eighth floor of the building at 500 Northwest Plaza in Northwest Plaza Office Tower.²

In February 2018, the Ethics Committee of the St. Louis County Council, comprised of Hon. Ernie Trakas, 6th District, Chair, Hon. Sam Page, District 2, Hon. Hazel Erby, District 1, and Hon. Mark Harder, District 7, initiated a review of the County Executive's decision to enter the NWC leases. The Committee reviewed over 7,000 pages of documents and took testimony from several witnesses.

Based upon those documents and the testimony, Committee formed these conclusions:

- (1) The County Executive and his personal staff—rather than the career professionals who ordinarily negotiate leases—directly negotiated the NWC leases with NWC's developers;
- (2) The County Executive and his personal staff disregarded the advice of career professionals in the Department of Public Works, who advised the County Executive that entering the NWC leases would cost more than continuing in existing leases or the County building its own office building;
- (3) The twenty-year term of the County's leases at NWC is unprecedented. The leases contain terms and conditions that are much less favorable to the County than ordinarily appear in County leases;
- (4) The County Executive falsely claimed that there was competitive bidding for the NWC leases and that the County obtained an opinion from an outside financial advisor concerning the leases;
- (5) The NWC leases did not save the County money;
- (6) The County Executive and his staff falsely claimed that the NWC leases would save the County money and misled the County Council concerning how much the County's leases would cost;
- (7) The County Executive paid the extra costs associated with the NWC leases in 2017 by hiding a \$2.4 million dollar appropriation in the 2017 Budget and then using his Charter authority to transfer appropriations to move the money to pay the added expense while never revealing this increase in spending to the County Council;
- (8) The County Executive claimed to have personally negotiated the leases with NWC's developers, but has produced no evidence of those negotiations and refused to answer direct questions about those negotiations;
- (9) The County Executive claimed that the developers invested \$10 Million in the

County's tenant finishes in NWC, but no data or documentation has been provided to support this claim. The Committee has concluded that this claim is not credible and is aimed at covering for the overpriced leases the County Executive had personally negotiated.

- (10) The County Executive did not provide a copy of the proposed leases to the County Council before asking for approval, thereby denying the County Council the opportunity to review the terms and conditions contained in those leases;
- (11) The amounts of contributions to the County Executive's political campaign account from NWC's developers are far more than would ordinarily be donated by any donor, particularly by donors doing business with St. Louis County;
- (12) The County Executive's direct involvement with the lease negotiations, the amount of contributions received from NWC's developers, and the timing of payments from the County Executive's campaign account to Anthony Badino, create at least the appearance of impropriety concerning whether the County Executive derived a personal benefit from the transactions and whether Anthony Badino was effectively paid by NWC's developers while negotiating the NWC leases;
- (13) The County Executive and his staff refused to provide the Committee with relevant documents despite repeated requests; and
- (14) The County Council lacks the investigatory powers, personnel, and other resources possessed by the United States Attorney for the Eastern District of Missouri and the Attorney General for the State of Missouri.

Based upon these findings, the Committee recommends that the County Council:

- (1) amend the Purchasing Code to require any proposal for lease include a detailed cost analysis that shows the cost of the proposal as well as potential costs of alternatives to leasing;
- (2) amend the Purchasing Code to require a final draft lease be provided to the County Council (during closed session) prior to the final passage of authorizing legislation;
- (3) adopt campaign finance restrictions to prevent even the appearance of impropriety from large donations like those given by NWC's developers;
- (4) adopt changes to Section 8.050 of the County Charter to preclude the County Executive from using budget transfer authority to circumvent the appropriation authority of the County Council;
- (5) refer this matter to the United States Attorney for the Eastern District of Missouri and the Attorney General for the State of Missouri for full and complete investigations; and
- (6) analyze voiding and terminating the NWC leases pursuant to Section 11.080 of the County Charter.

The following is the Committee's complete report, findings and recommendations to the County Council.

II. Summary of Testimony and Documents

A. February 13, 2018 Hearing

The Committee conducted the first of its public hearings on February 13, 2018. Prior to this hearing, on February 7, 2018, the Committee requested, in writing, the appearance of:

- Joseph Hunt, Division Manager Design and Construction, St. Louis County Department of Transportation and Public Works (hereinafter "Public Works");
- John Tschopp, Manager Right-Of-Way, Public Works, and;
- Bruce Kothe, Project Manager III, Public Works.

In addition to their appearance, the Committee also requested that the witnesses produce documents pertaining to the development of NWC, and the negotiation and execution of the NWC leases. Subsequent to the delivery of correspondence to Tschopp, the Committee received correspondence from Daniel Dreisewerd, Acting Director of Public Works, advising that Tschopp had retired, and was no longer employed by Public Works.³ Subsequent to Dreisewerd's correspondence, the Committee requested Dreisewerd produce copies of documents responsive to the request the Committee had submitted to Tschopp.

In addition, due to Tschopp's retirement and on the recommendation of Dreisewerd, on February 8, 2018, the Committee corresponded with Ted Medler, Planning Division Manager, Public Works, requesting his appearance before the Committee on February 13, 2018, and that he provide the Committee with copies of any and all documents in his possession and/or under his control relevant to the development, negotiation, and execution of the leases at NWC.

Testimony and documents provided by Hunt, Medler and Kothe established the following:

- The customary and typical policies, procedures, and responsibilities of Public Works in the identification, selection, and negotiation for the lease of office space by the County were not followed regarding the NWC leases.
- Public Works managers and administrators were purposely excluded from involvement with the NWC leases by the County Executive and his staff.
- The twenty-year term of the NWC leases—without any opportunity for renegotiation or termination—is unprecedented in St. Louis County leases.⁴
- All responsibility identification, selection, and negotiation of the NWC leases were assigned to Anthony Badino, Special Assistant to the County Executive and the Campaign Manager for the Steve Stenger for County Executive 2014 political campaign.⁵
- As far as the Public Works staff understood, Badino negotiated the proposed terms of the NWC leases with David Glarner, owner and developer of NWC, and his

representatives including David Richardson of Husch Blackwell LLP.

- The Public Works personnel customarily involved in County leases had no contact or communication with Anthony Badino and no involvement with lease negotiations between July 13, 2015 and March 2, 2016⁶ and were left out of any negotiations between March 8, 2016 and July 12, 2016 when the final lease negotiations were completed.
- Then-Director of Public Works, Nicholas Gardner, had indicated his disapproval with the identification, selection, negotiation, and terms of the leases at NWC.
- Gardner believed that, by entering into the NWC leases, St. Louis County was “selling our soul to the Devil.”⁷

B. March 6, 2018 Hearing

The Committee conducted a second public hearing on March 6, 2018. Prior to the hearing, the committee requested the appearance of:

- Stephanie Leon-Streeter, Deputy Director of Transportation;
- Glenn Powers, Director of Operations; and
- Paul Kreidler, Budget Director and Acting Director of Administration.

In addition to their appearance, the Committee requested the production of any and all documents in the witness’ possession and/or under their control relevant to the development, negotiation, and execution of the leases at NWC.

The testimony and documents produced by Leon-Streeter, Powers, and Kreidler established the following:

- In June and July 2015, Leon-Streeter, Medler, and Nancy Hendrix collaborated to produce an analysis of opportunities for the provision of facility support to the Board of Elections, Workforce Development, and County government satellite offices in North St. Louis County.⁸
- In July 2015 a written analysis prepared by Leon-Streeter, Medler and Hendrix outlined the benefits, detriments, and relative costs of purchasing or building office space versus leasing office space at NWC. That analysis was presented to Badino.⁹
- On June 23, 2016, Joe Hunt prepared an analysis finding that leasing space at NWC would be substantially more expensive than buying office space.¹⁰
- Public Works review of the March 2, 2016, NWC lease drafts concluded that the details, cost, and amount of risk on what was an “unprecedented lease term” was ill-advised, and that the County had never entered into a lease of this duration and with “absolutely no escape clause.”¹¹
- The Public Works staff knew on June 1, 2016 that the NWC lease did not save money and told their leadership.¹² Medler told Gardner “the move to Northwest Crossing simply doesn’t work financially,” and that utility costs and base rent would increase

significantly. Gardner stated he had explained the cost issues to Badino showing that “there would be a large hole” in the budget. To that Badino said “they realized and would work on figuring it out.”¹³ Medler summarized to Gardner on June 1, 2016 that the “bottom line is that any claim that this is a cost-saving measure for the County would appear to be quite inaccurate.”

- On June 24, 2016, Tom Hunt (Public Works Finance Manager) asked Kreidler (Budget Director) how the County would pay the added costs of the NWC occupancy to begin January 1, 2017. Kreidler replied “We’ll probably fund these costs from your budget. My understanding is that there is going to be a lot of up-front cost We’ll hit the Assessment Fund and the federal workforce funding as is allowable.”¹⁴ These funds represent state and federal funds provided to the County.
- Between June 1, 2016 and August 1, 2016, the Public Works staff working through the Budget Office identified a Special Project funding requirement to be placed in the 2017 Public Works Budget of \$2,458,000 to “fill the large hole” created by the NWC lease.¹⁵ The money was transferred into the lease payment accounts during 2017 by Executive Orders approved by the County Executive. This arrangement was confirmed in an e-mail exchange between Kreidler and Tom Hunt (Public Works Finance Manager) on October 21, 2016.¹⁶
- On June 28, 2016, Medler confirmed to Gardner that the cost estimates associated with the NWC leases were inaccurate¹⁷ and that actual costs in 2017 and 2018 will exceed the 2016 spending level for leases in the Public Works budget “by at least \$2.3 M (in 2017) and \$900,000 (in 2018).” Medler went on to say “we’re talking at least \$20 M more over 20 years.”
- Badino was appointed by the County Executive as the chief and primary negotiator for St. Louis County on the leases at NWC.
- On June 20, 2016, Glenn Powers, on behalf of the County Executive, wrote to the County Council recommending approval of the NWC leases, and requesting legislation authorizing the County Executive to enter into the NWC leases. Powers did not provide a copy of the leases to the County Council. Powers testified that at the time, June 20, 2016, and no time thereafter did he read the lease agreements. Nevertheless, Powers signed the NWC leases on or about August 30, 2016.¹⁸
- Powers stated that he did not have documents that demonstrated the NWC leases might save \$10 million over the term of the leases as he had certified in his June 20, 2016 letter to the County Council.¹⁹
- The County Executive claimed in a July 6, 2016 radio interview that NWC’s developers had consented to make \$10 million in added investments to “build out the space” that would normally be considered tenant finishes in a leased property. The lease contains no such provisions. Exhibit “B” of the Specklebelly lease does contain a list of 13 items to be completed by the landlord for the benefit of the tenant.²⁰ But with one exception (a specialized reception desk) the items are all common general

utilities for a modern office complex, e.g., communications cables, electrical power services, and fire safety systems. None of the items included pricing or costs. There is no proof that an agreement for the \$10 million investment ever existed in the lease. Furthermore, there was no process to inspect the product of the developer making a \$10 million investment. There was no checklist of improvements and no series of validation inspections to demonstrate the improvements had been made. The County Public Works staff that would normally have been involved in negotiating the content of a \$10 million tenant finish contract were not even allowed access to the building until after the deal was concluded. Finally, \$10 million invested in tenant finishes for a general purpose office space such as Building 700 at NWC is not a credible claim on its face. That would mean that the tenant finishes would cost more than \$71 per square foot—a completely unbelievable number. Medler warned his leadership that “the build out costs should be explicit and should be not to exceed” showing the potential liability for both the County and the landlord.²¹

C. March 27, 2018 Hearing

The Committee conducted a third public hearing on March 27, 2018. Prior to the hearing, the committee requested the appearance of:

- Anthony Badino; and
- Peter Krane, St. Louis County Counselor.

In addition to their appearance, the Committee requested the production of any and all documents in the witness’ possession and/or under their control relevant to the development, negotiations, and execution of the leases at NWC.²²

The testimony and documents produced by Badino and Krane (Badino refused to produce responsive documents in his custody or under his control) established the following:

- Badino confirmed that he was appointed and acted in the capacity of primary individual responsible for negotiating the leases at NWC on behalf of St. Louis County.
- The customary practice of having Public Works determine the need and appropriateness of leasing office space to house County offices was purposely not utilized in the case of the NWC leases.
- Public Works employees, customarily involved in lease negotiations, were intentionally excluded from participating in the NWC lease processes.
- All suggested revisions and/or changes to the NWC leases proposed by St. Louis County during negotiations with the developer/landlord had to be submitted to and approved by Badino.²³
- Badino admitted that he had no license or special training to perform the lease negotiations. Badino could not name a similar project to NWC that he had worked on

in the United States.

- Much of the documentation and testimony provided by Badino focused on the superb job the Public Works staff did in taking charge of the completion and move-in stages of the consolidation of County offices in NWC. The resultant facility has been lauded by the building occupants and this is in no small measure due to the dedicated and talented members of the County Public Works staff who worked tirelessly to deliver the best facility they could, based on the lease they were handed on August 30, 2016. Unfortunately, the flaws in the lease pricing and the onerous details of the lease had been settled upon and fixed before the professional staff had an opportunity to correct the flaws. In fact, as late as October 5, 2016 (two months after the lease details had been set), Gardner informed his Public Works staff that he had not yet seen the NWC leases.

D. Requests to the County Executive

On April 6, 2018, the Committee requested that the County Executive's office produce all documents relevant to the NWC leases. The County Executive sent the Committee 2,772 pages of documents related to the leases.²⁴ Most of these documents had been previously produced by other witnesses and provided no new information other than to demonstrate that the Public Works staff had provided the County Executive with sufficient information to know that the proposed leases at NWC were not a good deal for the County.

These documents further reveal that:

- There appears to be an analysis prepared by the County Executive's office that was intended to demonstrate how the NWC leases would save the County money. In correspondence with the County Council, the County Executive's office stated that the leases would save \$10 million and the County Executive's office has maintained at hearings that a spreadsheet existed which showed this analysis. A spreadsheet was located in the County Executive's documents that purported to show that the leases would save the County \$8.5 million—not \$10 million—over the 20-year period of the leases.²⁵
- This page was inserted between pages 18 and 20 of one of the first draft leases,²⁶ and does not appear to be part of the draft lease. It should be noted that this version of a lease was abandoned early on in negotiations, was never completed and did not contain any pricing. At least 16 versions of the lease were prepared after the draft in which the spreadsheet had been placed. It appears that the spreadsheet showing \$8.5 million in savings had been randomly inserted in the stack of documents after the documents had been assembled without regard for its placement in the document production.
- There are numerous deficiencies with the spreadsheet provided by the County Executive's office, including:
 - It states that the existing leases (the "old leases") were 155,000 square feet, but they were really only 123,000 square feet;
 - It states that the old leases were \$16.00 per square foot, but the actual cost per

square foot had been calculated by the Public Works staff and verified in the 2016 budget as only \$11.08 per square foot;

- It states that the old leases escalate at 3.95% compounded annually, but none of the old leases had an annual compounded increase of 3.95%.
- Despite requests that the County Executive provide an electronic version of the spreadsheet that would allow the Committee to conclude when the spreadsheet was prepared, none was provided. Based upon the County Executive's refusal to provide such a copy, the Committee concludes that the spreadsheet may have been prepared after the lease was signed—or even after this Committee began its work—in an effort to “paper the file” after the transaction was already entered.

On April 26, 2018, the Committee submitted seventeen (17) detailed, written questions to the County Executive. In its correspondence, the Committee requested that he provide his written responses to the questions on or before May 11, 2018.

On May 11, 2018, Committee Chairman Ernie Trakas received an electronic email message from the County Executive's assistant, Kathy Schroeder, indicating that the County Executive was still working on his response and would provide his answers “soon.” In response to Schroeder's email, Trakas corresponded directly to the County Executive on May 14, 2018, acknowledging Schroeder's message and advising that the Committee would expect his written answers to the questions no later than May 18, 2018. On May 18, 2018, Trakas received a second electronic mail communication from Schroeder advising that the County Executive's answers would be provided on May 22, 2018.

On May 22, 2018, the County Executive submitted written responses to the Committee's April 26, 2018, questions.²⁷ Review of the County Executive's responses to the seventeen (17) questions can fairly be described as evasive and non-responsive. The County Executive refused to answer many of the questions. For example, one question the Committee submitted asked the County Executive to describe his communications with NWC's developers, but the County Executive refused to provide a responsive answer. The County Executive also made several statements that the Committee has determined are clearly not credible.

E. Additional Findings

In addition to witness testimony related to specific documentation noted above, the Committee obtained and reviewed a total of 7,088 pages of documents. Conclusions reasonably drawn from these documents, testimony, and other publicly-available information establish the following:

1. The County's Use of Office Space

- All County offices are located in space that is either owned or leased by the County. The County owns and the Department of Public Works maintains 3,500,000 square feet housed in 81 buildings. This includes general office space as well as specialty spaces like health treatment clinics, criminal investigation labs, jails, juvenile

detention facilities, highway maintenance garages, courtrooms, emergency communications and computer facilities, and records storage warehouses. The County owns over 300,000 square feet of office space that is currently vacant including the old Family Court (501 S. Brentwood) and the old World Trade Center (121 S. Meramec). In addition, the Public Works staff operates and maintains more than 2,200 vehicle parking spaces housed in parking structures in Clayton. Two other County Departments also own, operate and maintain facilities: Parks and Spirit Airport.

- St. Louis County has had several functions of County Government in leased facilities:
 - The County Board of Elections has been in Maplewood, Workforce Development offices in Northwoods, North County Satellite in Hazelwood, and others.
 - These leases were all short term (i.e., 1-5 years) with “automatic renewals” and a variety of specific terms each tailored to the service to be provided from the facility. In these cases “automatic renewal” means that the lease could be extended for another period if the County Administration and the Landlord agreed to extend the lease. Many of the leases did not have to go back to County Council to authorize the extension.
 - The County Executive determined to consolidate these activities into a single location at NWC in the early part of 2016.
- In the event that the County determines that leasing space is preferable, the County “typically . . . prefers to sign 1-year leases with automatic 1-year renewals.”²⁸ A seven-year lease is so “unusual” that it would lead to significant conversation among County staff.²⁹
- Some ordinary terms of commercial leases are not appropriate when applied to the County. For example, the County has staff that provides any required maintenance, which reduces operating expenses. In addition, the County is self-insured, and therefore does not require private insurance for its buildings.³⁰

2. The True Cost of the Leases

- The price of the leases appears to be on the high end of competitive triple-net leases. However, the escalators in the lease are even more concerning. The compounding effect of the cost escalators apply not only to the lease but to the Landlord's Insurance Costs and add up to a total guaranteed payment to the LLCs of \$58.7 million averaging just under \$3 million per year. At the end of the 20 years, the County taxpayer will have zero equity in the buildings. At the end of the lease all the County will own is the right to negotiate a new lease with Specklebelly and Gadwall (but with a guaranteed price increase at that time of 3%).
- The “\$13 per square foot” per year pricing of the Specklebelly lease (140,082 sf) that was noted in the County Executives justification of the NWC leases during a July 6,

2016 radio interview was at least 30% above the market in a three-mile survey of the real estate market conducted by the St Louis Economic Development Partnership ("SLEDP") in January 2016. The SLEDP survey showed that the average rental rate for general purpose office space was \$9.32 per square foot and the maximum in the area was \$10.00 per square foot. These prices were for "triple-net" rents similar to the NWC lease.³¹

- The total price of the consolidated facility for the rent alone was \$2.1 million in the first year (2017).³² The annual cost was contracted to increase to \$3.0 million in year 10 and to \$3.44 million in years 15-20 based on an annual escalator of the rental rates over the term of the leases compounded annually.³³
- The total rental price of \$58,710,356 is a firm required total payment, not counting additional costs, such as property taxes, special maintenance contracts, special insurance, and added utility taxes that will increase this figure substantially.³⁴
- The NWC leases require the County to pay the landlord's cost of operations over the 20-year period—regardless of what those costs may be—with no cap on these expenses.
- Property taxes appear to be the most significant of these expenses.
 - Property taxes already paid in 2017 were more than \$300,000 - for the first year of the lease.
 - The projected annual property tax bill is expected to be between \$450,000 and \$600,000 per year when the final appraisals of the property are done. Total property taxes will exceed \$10 million, and may be \$15 million over the lease term. The County staff was surprised to learn the taxes were so high in the initial invoices received by the County. (EC 1264)
 - Badino expressed that his only regret with regard to the Northwest Crossings lease was that he had not negotiated better terms for the payment of property taxes. But, Badino pointed to a time during the review of the first invoice that the issue arose. This was in fact three months too late to affect the portion of the lease, paragraph 1.4(a), that requires the County to pay "the total of all taxes, assessments, and other sums charged by any governmental or taxing authority." In addition, Badino and/or the County Executive had agreed to further terms that the County "waives any rights it might have to protest the appraised value" of the NWC leased spaces.
 - The Committee asked the County Executive to provide an estimate of the expected costs to the County Budget to pay the Property Taxes agreed to in the leases. The County Executive's response was to refer the Committee to the County Assessor. This answer is neither responsive nor responsible.
 - It is clear that the County Executive does not care what the County's liability for Property taxes may be for NWC regardless of the impact on the County Budget.

- In addition, the County must pay all the maintenance and operating costs for not only the County's rented spaces but also the common use spaces of Northwest Crossings. This could add another \$7-10 million over the 20 year term of the lease to the County's cost.
- The total expected cost of the NWC leases is between \$75,000,000 and \$83,000,000.
- Based upon an independent estimate of design and construction costs in the St Louis County in 2016, the County could have built its own facility for \$28,000,000 and financed it for 20 years for an annual cost of \$2.0 million per year thereby saving at least an average \$1.5 million per year over 20 years. This savings would be only for the rent avoidance with annual escalators and the County would own the building as an asset at the end of the payments.
- If the County had built its own facility, it would not pay property taxes because the County would own the facility. Other costs such as maintenance, insurance, and utilities would be treated the same for this County-owned facility as the 3.5 Million square feet of floor space the County already owned.
- Actual costs of previous leases were:

Service	Address	Floor space	Rent per sq ft	Annual Rent*	Time Left	Prop left Vacant
Board of Elections	12 Sunnen Plaza, Maplewood	42,605	\$12.26	\$522,337	Year to year	Yes
Workforce Development	North Oaks, Northwoods	37,410	6.50	243,165	7 years	Yes
Human Services Staff	9666 Olive, Olivette	10,977	15.50	170,144	2 years	Yes
North County Satellite	Village Square, Hazelwood	24,257	14.46	350,756	Year to year	Yes
Assessor	Northwest Square	4,200	10.74	45,108	Year to Year	Yes
Workforce Development	North Oaks, 2nd lease	4,014	9.00	36,126	Year to Year	Yes
Totals		123,463	\$11.08	\$1,367,636	\$113,970	

3. The Leases

- The leases were signed by the Chief of Operations because the Director of Public Works refused to sign them. The County Charter assigns facility leasing responsibilities to the Director of Public Works, and the Chief of Operations has no authority under the County Charter with regard to leasing.

- The County Accounting Officer struck (lined out) the pro-forma statement above his signature that would have certified that sufficient funds are available to pay the total contract amount of the leases.
- The last Paragraph 20.26 of each lease is titled “Appropriation.”
 - This paragraph establishes that if the funds to pay this lease are not appropriated, then the County is precluded from opening or operating any other facility that would perform those same functions in any other location. This amounts to a death penalty for the functions in the space. If the County—anytime during the lease term—determines to stop paying the lease (in whole or in part) the County could no longer perform those functions either currently or at any time occupying NWC during the lease period. But the County remains liable for the full payments under the lease(s).
 - Some of the initial functions going into the facility are Elections, Workforce Development, and Assessor activities. All of these activities are essential functions of government but all may be highly variable with regard to space requirement over the next 20 years. Technology advancements in Elections as well as policy considerations may change the space requirements. Workforce development is completely funded by annual grants from the State and Federal Governments. The Workforce Development workload and space requirements are tied closely to the national and regional economy. In fact, the Workforce Development grants for 2018 are expected to be far less than the 2017 grants.³⁵ Assessment space requirements are highly dependent on State laws governing assessment requirements.
- County maintenance of the Specklebelly building at NWC is defined to include all the system infrastructure of the building including the “under-slab utilities,” the Heating / Air-conditioning systems, and the fire alarm systems. The lease goes on to state that the County must enter into appropriate service contracts with private firm(s) and get them approved by the landlord to perform these functions. This is in spite of the fact that the County has its own maintenance crews that normally perform these functions. All risk associated with maintenance is transferred to the County.
- The two leases’ payment structure are essentially identical with the exception of an additional required payment in the Specklebelly lease of \$5,000 per month to pay for the landlord’s purchase of “the total annual insurance premiums.” In addition to paying an annual landlord’s insurance cost (\$60,000 in the first year that is escalated with the rents), the lease requires the County to purchase commercial insurance to protect the Landlord’s interest in the building. The County is normally self-insured. This lease requires every conceivable insurance to be purchased commercially by the County. There is no indication in the lease regarding the County’s cost for this requirement.
- Indemnification is in Article XV. The County must indemnify (hold harmless) the

Landlord for building flaws including paying the Landlord's attorney's fees in case of a dispute. In addition, this indemnity clause also covers six (6) other LLCs (Merganser, Wigeon, Raven Development, Pintall, Rounders, and Snowflake) none a party to these leases. Just to be absolutely sure that the landlord has no liability from the lease, Paragraph 20.4 repeats that the Landlord is not to be held liable in any judgment.

- In addition, the County must also pay a prorated share as determined by the landlord of any other "Shared Operating Expenses", such as utilities or maintenance of the common areas, such as the entry hallways and parking lot. This payment requirement is submitted by the Landlord each year and the County has only 60 days to audit or challenge the amount. There is no stated formula regarding how this expense is calculated. There is no specification of costs that may be included. The lease just shows examples of some costs that may be attributed to the lease. Also, there is no definition of what proportion of the entire development is occupied by the County—and therefore the County's proportional share. There is no hint in the lease of what the cost to the County will be over the term of the lease. There is no maximum obligation to pay noted in this provision of the lease.
- The LLCs listed in the lease are in State records with addresses of either 1701 Macklind in St Louis or 8014 South Drive in Richmond Heights. In addition, there are 15 other LLCs whose home office is the private residence of Robert and Mary Glarner in Richmond Heights. There are 42 other LLCs that have their offices in a general purpose 80,000 square foot office building in St Louis. There are two more LLCs that are directly related to the Northwest Plaza Construction project or the gift of campaign funds from the Glarners to Stenger. There are at least 67 separate LLCs owned or controlled by the Glarners.
- The NWC leases are without historical precedent in St. Louis County Government;
- The terms of the NWC lease(s) are unreasonably onerous, are of no appreciable net benefit to St. Louis County or its residents, and are unsupportable from a business standpoint;

4. NWC's Status as an Inconvenient Location for Citizen Service

- The relocation of many functions to Northwest Plaza appears to be well away from citizen service requirement.
- One of the functions relocated to Northwest from Hazelwood Village Square in Northwest County was the primary County Municipal Court (night court). This court processes tens of thousands of traffic tickets per year and primarily serves an area north of 270 and bounded by the Missouri River on the far north. More than 120,000 residents live in the unincorporated areas of North County and had easy access by private or public transportation to the Hazelwood site. The new Municipal Court location is several miles south of the old court and almost

inaccessible from North County by public transportation.

- Similarly, the Election Board was centrally located to all of the County residents when located in Maplewood. But now, after moving to St Ann, the new election board location is misplaced for most county residents.
- The Workforce Development Office is where unemployed County residents must go to register and attend training as part of their unemployment compensation requirement. The Workforce Development office is now 10 miles west of its previous location and a very difficult public transportation route(s) to sign up for unemployment.
- Finally, the Revenue Department collected taxes in the Hazelwood Village Square location. Taxpayers throughout North County paid their taxes at Village Square to avoid the transportation issues getting to Clayton. Now they must contend with the transportation issues traveling to St Ann.

5. Campaign Donations

- David and Richard Glarner and limited liability companies under the control, landlord and developers of NWC donated in excess of \$365,000.00 to County Executive Steve Stenger as of April 2018;
- On July 14, 2015, Anthony Badino, then special assistant to County Executive Steve Stenger and an employee of St. Louis County, received \$21,000.00 from County Executive Steve Stenger's 2014 campaign committee;
- Section 11.080 of the St. Louis County Charter prohibits any employee of St. Louis County from accepting compensation from any outside source for the performance of his or her public employment;
- There is an appearance of impropriety associated with the negotiation of, and entering into the NWC leases by St. Louis County in light of the timing and significance of donations to the County Executive's campaign fund by David and Richard Glarner and the entities under their control.

6. The County Executive's Public Statements

On July 6, 2016, the County Executive publicly stated in a radio interview with McGraw Milhaven (KSDK 550) that he had to personally negotiate the lease arrangement with NWC's developers after his staff failed to "get the job done" appropriately. The County Executive stated he had "personally taken over the lease negotiation" in order to get the final deal approved by the County Council a week later. In the interview,³⁶ the County Executive claimed:

- that the NWC leases saved the County \$10 Million per year;
- that he had insisted that the NWC leases be subject to an independent, outside financial review to verify the numbers;
- that he had insisted on "competitive bidding" of the proposed leases;
- that he had personally engaged in direct negotiations with NWC's developers.

The full transcript of the radio interview is provided below:

McGraw Milhaven: Good morning and thank you for joining us County Executive Steve Stenger.

Steve Stenger: McGraw hello thank you for having me this morning I appreciate it.

McGraw Milhaven: You got it okay. So, yesterday for those who didn't hear it, Tony Messenger was making the point that there are a couple of developers who gave you money through a LLC a Limited Liability Company, and they now have business in front of the County Council, and he was questioning that whole situation. You wanted to respond. What were your thoughts? What did you want to say?

Steve Stenger: Well what I wanted to talk about McGraw is the lease and the process that we went through in entering into this lease and just sort of what it's all about.

McGraw Milhaven: Sure.

Steve Stenger: We have a situation in St. Louis County where we have 520 some-odd square miles and we serve the entire county with a combination of real estate that we own and real estate that we lease. We have our functions of County government in all those various spaces. We occupy over a million square feet in St. Louis County and we occupy that space once again to serve the taxpayers.

McGraw Milhaven: Right.

Steve Stenger: We are we have been presented with an opportunity to save St. Louis County taxpayers ten million dollars by consolidating our leased space into a particular space that's located in where the Old Northwest Plaza that used to be. It's called The Crossings and this and by consolidating and moving our spaces there, some of our space there, we're looking at saving once again ten million dollars and I'm just in complete disagreement with what Mr. Messenger had to say so about the move and the motivations for the move it couldn't be further from reality.

McGraw Milhaven: But his argument yesterday was that this \$50,000 of \$75,000 that was funneled to your campaign is from developers who are now in negotiations to hold this office space. So you could see how somebody could say oh wait a minute they give you a big donation and all of a sudden they might get a leg up

in these uh negotiations for some type of term that that would benefit them.

Steve Stenger: Well first, and I know you perhaps don't mean it that way, but when you when you say funneled to my campaign, the campaign contributions were not funneled to my campaign they were they were lawfully placed in my account. I was handed the check by the developers and they gave to me from an entity called Givco it wasn't an entity called Hide Co. There was something that was really straightforward and you know Tony Messenger has talked to me about this personally and I talked to him on the phone. He asked me who what does this Givco entity? I said well it's two developers Bob and David Glarner and they contributed to my campaign. Certainly nothing unlawful about concerning me and my campaign. The contributions were made over a period of years with the last one being made some time, maybe I'm gonna estimate on this, something like 7 months ago. So no, I don't think that if you know if there are questions about it there are questions that can be answered by a simple telephone call and to write the article that he wrote, which completely speculates as to too many facts, and I think frankly misstates others isn't really the way to go about it. You know I think we're trying to do a good thing in St. Louis County. It's a professionally run government that we have and I run that government and I run it professionally. This is a lease that has been vetted both internally and externally. We had financial advisors outside of the county look at it and validate the numbers. We had our internal staff look at it and validate the numbers. We did a competitive process in order to arrive at the decision to move forward with this lease and it makes great sense and it saves ten million dollars. We're moving from spaces that were \$18.37 a square foot for the election board to a space that's going to be \$13 a square foot. With built into that \$13 per square foot, ten million dollars but build out of customization of turning the space into a into a workable space that is being given to us by these developers. So it's really a tremendous deal. It's a deal that's gonna serve taxpayers very well and save us all ten million dollars. For me it's quite a stretch to turn this into something that is anything but the right thing to do.

McGraw Milhaven: When did these lease discussions begin and when did you become involved in these leases or discussions?

Steve Stenger: Well, when he talks about personal negotiations of mine my personal negotiations in the lease did not begin until

2016. I became aware that we were looking at a space that involved Glarner sometime in late 2015, which would have been sometime in late December of 2015. In 2015 and once again I didn't write all this down because at the time I had no idea that it would even be an issue. So it's sometime in 2016 negotiations became tough between the developers and the county, which it often does. The landlord the landlords there were you know that got a little heated and I stepped in and said hey look this is what we're willing to do. We're not going to do anymore and, in fact, we would like these additional items to be part of the lease, which fall very positive for St. Louis County. So that was what my that was sort of what my involvement was in the process was to call, I think I called David Glarner, and told him that you know this is what we were willing to do and basically gave him our bottom line and we were able to move forward with a lease that works very well and I think that that part of the negotiation benefited St. Louis County very much and you know simply because he had been a contributor in the past did not inhibit me in any way, shape, or form from calling him and telling him what was best for St. Louis County and that we worked on and moved forward unless the terms work you know as we needed them to be.

McGraw Milhaven: That is County Executive Steve Stenger. Sir we are out of time. I thank you for calling us and letting us put you on so that we you could get your side of the story. You're always welcome here sir.

Steve Stenger: Thank you very much McGraw I'll talk you soon.

F. Withheld Documents

As noted above, the Committee requested the production of documents from all witnesses who appeared before it. In response, all County employees who appeared before the Committee submitted all requested documents to the St. Louis County Counselor's office for its review. Prior to the production of any documents to the Committee, the County Counselor's office culled certain documents from each witness' proposed production claiming that said documents were protected from disclosure by attorney-client privilege and/or the attorney work product doctrine.

In response to the asserted privilege, the Committee Chair conferred with Peter Krane, the County Counselor. Krane agreed to supply the Committee with a legal memorandum outlining the basis for the asserted privilege and work-product protections. In addition, Krane agreed to furnish a privilege log detailing the type and nature of all documents withheld from production.³⁷

The Committee respectfully takes issue with the asserted privilege and work product arguments. At a minimum, even if there is validity to the privilege and work product claims

(which the Committee denies), all such protections were waived when the County Counselor's office authorized production of certain communications and documents which could have, and should have, been protected by the very privilege/work product doctrines that allegedly permit the withholding of the documents identified on the Privilege Log, i.e. communications by employees to counsel in order to secure legal advice.

Of greater interest and concern are the specific communications and documents that have been withheld. Specifically, electronic mail communications and drafts of leases between Assistant County Counselor Bob Grant and Public Works employees, and similar communications exclusively between Public Works employees, all between February and March 2016 – the precise period where, as noted above, there are no documented communications between Badino and Public Works employees. Similarly, communications and documents authored by or sent to Badino concerning the subject leases between June and December 2016. Again, the precise window when negotiation of the leases was conducted and concluded, and Public Works employees were intentionally excluded from any participation in the lease negotiations.

The only reasonable inferences that can be drawn from such a precise and selective use of the asserted privilege and work product arguments is that the withheld communications and documents undermine the claimed necessity, suitability and cost savings of leasing space at the NWC. Moreover, it is possible that the communications and documents contain proof of the existence of a quid pro quo for the decision to proceed with the NWC leases.

G. Other Related Documents

The County Staff was surprised by a David Glarner request on December 12, 2016 to sign a Tenant Estoppel Certificate showing the Owner of a lease agreement for 701 Northwest Plaza (the County Lease) was Boreas LLC.³⁸ This document was a loan agreement between Boreas LLC and Wells Fargo Bank Northwest.³⁹ This loan agreement required the County to sign a Subordination Non-Disturbance Agreement ("SDNA").

The staff had two problems with this document. First, they did not know who could sign such an agreement, and, second, the agreement was with a new Limited Liability Company (LLC) that had not been a party to the County lease. Ultimately, the County staff determined that Article XIX of the lease required the County to approve the SDNA). The ownership of the condominium that had been owned by Specklebelly and rented by the County was transferred via a General Warranty Deed to Boreas LLC on December 14, 2016.⁴⁰ The accommodation by the County by signing the SDNA ultimately led to a loan closing on December 28, 2016 for \$32,057,000.00 from Wells Fargo to Boreas LLC (another Glarner LLC). The Deed of Trust for this transaction is on file in the County's Department of Revenue dated December 29, 2016.⁴¹

Thus, two days before the County occupancy of NWC was to begin, the property owners, the Glarners, received \$32 million in cash based on the lease agreement with the County. The Ethics Committee could not determine the disposition of this cash but such a large up-front pay day is an item of concern.

The City of St. Ann has also become a big player in the redevelopment of Northwest Plaza through the approval and administration of a Tax Increment Finance (TIF) Project.⁴² We have included an agenda of the St. Ann Board of Aldermen from December 26, 2017 in which the Board approved the issue of additional TIF bonds to pay the NWP LLC costs for redevelopment of the old mall. This single meeting included several items of interest concerning the NWC development Costs. The draft bond documents⁴³ provide a basic structure of the St. Ann development process and enumerate the several activities managed by St. Ann to help finance the Northwest Plaza redevelopment efforts including several series of TIF bonds, a Transportation Development District (TDD) overlay, and a Community Improvement District (CID). The St. Ann Board received a review of all the sources of tax revenue that flow into the TIF Project.⁴⁴ These include the incremental sales taxes (for 11 months in 2017) of \$456,000 as well as \$990,000 in incremental Real Estate Taxes. These revenues are all dedicated by St. Ann to retire the debt (s) that they have accumulated based on the TIF agreement. This board meeting approved the issue of TIF Bonds totaling \$32,635,000 in January 2018.⁴⁵ Of this amount \$31,065,480 was to go to project costs (i.e., the developer).⁴⁶

Thus, for the second time, the developers of NWC received more than \$31 million in cash. In the meantime, St. Ann was committed to collecting the taxes and paying the debt service on this \$32 million development loan.

III. Timeline

August - October 2014	Mallard LLC (a Glarner entity) contributed \$35,000 to the Stenger campaign
November 2014	Stenger won election. Badino served as campaign manager.
January 1, 2015	Stenger Administration began
Jan 2, 2015	Anthony Badino hired as a Parks employee (\$92,000 per year)
Jan 20, 2015	Mallard LLC gave \$15,000 to Stenger campaign
Mar 2015 to July 13, 2015	Public Works employees searched for alternative office space
May 2015	Nicholas Gardner hired as Director of Transportation and Public Works
July 13, 2015	Ted Medler gave Anthony Badino the "Lease vs. Buy Analysis," showing that buying office space was superior to leasing.
July 13, 2015	David Glarner established GIVCO LLC
July 14 2015 –March 1, 2016	Lease negotiations taken over by Badino, with no involvement from Public Works staff
July 14, 2015	Anthony Badino paid \$22,000 by the Stenger Campaign

July 31, 2015	GIVCO contributed \$25,000 to Stenger Campaign
October 7, 2015	GIVCO contributed \$2,500 to Stenger Campaign
November 5, 2015	GIVCO contributed \$25,000 to Stenger Campaign
November 27, 2015	Post-Dispatch revealed the hidden owners of GIVCO
December 23, 2015	GIVCO contributed \$25,000 to Stenger Campaign
January 2016	Bob Grant of the County Counselor's office began negotiation of lease (specifically, paragraph 15.4 Indemnification)
March 2, 2016	Draft lease first shared with Public Works Staff
March 7, 2016	Bob Grant sent draft lease to Election Board
March 8, 2016	Election Board considered a stand-alone lease (there was no apparent action on this lease)
April 14, 2016	Mike Chapman resigned as Director of Operations - Glenn Powers took over this position
June 20, 2016	Glenn Powers requested lease authority in a letter to the County Council
June 23, 2016	Public Works requested first look at the facilities and begins move in planning
June 1- August 12, 2016	Budget request was developed by the staff
July 6, 2016	Stenger gave a radio interview in which he claimed to receive campaign contribution checks personally from the Glarners and to have personally negotiated the leases. Stenger's personal involvement in lease negotiations appears evident because there were no draft leases produced by the Public Works Staff, Badino, or Grant during the period March 8 - July 21, 2016.
July 12, 2016	Ordinance # 24,460 authorizing the NWC leases approved by Council
July 21, 2016	Bob Grant is re-engaged in negotiation—several versions of lease later than last seen. Richardson offered to “catch Mr. Grant up” with the evolution of the lease. The last lease seen by Grant had been Elections only for 50,000 square feet, on March 8, 2016.
August 30, 2016	Specklebelly and Gadwall leases signed. Gardner refused to

	sign. Signature by Glenn Powers without reading.
September 23, 2016	David and Robert Glarner contributed \$55,000 to Stenger Campaign.
December 28, 2016	Glenn Powers and Peter Krane approved SDNA for Glarner's
December 30, 2016	Glarner's received \$32 Million loan from Wells Fargo (based on SDNA)
December 31, 2016	David and Robert Glarner contributed \$50,000 to Stenger Campaign
January 1, 2017	Leases Began
January 15, 2017	Move-in began with Workforce Development (from North Oaks)
February 6, 2017	Anthony Badino resigned
March 31, 2017	David and Robert Glarner contributed \$25,000 to Stenger Campaign
April 14, 2017	Gardner resigned
April 14, 2017	David and Robert Glarner contributed \$2,500 to Stenger Campaign
May 2017	Election Board moved into Northwest Crossings
June 29, 2017	David and Robert Glarner contributed \$40,000 to Stenger campaign
September 29, 2017	David and Robert Glarner contributed \$25,000 to Stenger campaign
December 27, 2017	David and Robert Glarner contributed \$40,000 to Stenger campaign
January 1, 2018	St. Ann TIF Commission borrows \$32.7 Million to pay developer (Glarner) expenses. \$31 million was designated for developer costs.
February - June 2018	County Council Ethics Committee reviews the redevelopment of Northwest Plaza and the leases with NWC.
June 12, 2018	Ethics Committee considers and approves the Committee's Report of its findings of its inquiry into the redevelopment of Northwest Plaza and the leases with NWC, and unanimously moves to submit the Report to the County Council

IV. Recommendations

Based upon these findings and conclusions, the Committee recommends that the County Council consider taking the following actions:

First, the Council should consider amending the Purchasing Code to require any proposal for a lease include a detailed cost analysis that shows the cost of the proposal for a lease as well as the potential costs of alternatives to leasing. In addition, the Purchasing Code should be amended to require the final draft lease (subject to final signature by the County Executive) be attached to the proposed ordinance prior to final passage of the authorizing legislation.

The Ethics Committee also recommends that voters adopt campaign finance restrictions. Although the County Council has attempted to discover any potential wrongdoing in the NWC lease negotiation process, there are still many unanswered questions. The unique manner of the negotiations, the length and onerous terms of the NWC leases, viewed in context with the size and timing of campaign contributions by the NWC's developers to County Executive Steve Stenger cause great concern. This relationship of campaign contributions and unprecedented lease terms and conditions create an appearance of impropriety and potential conflicts with the St. Louis County Charter. If this behavior is not already precluded by the County Charter, then the voters should consider and pass campaign finance restrictions that preclude this behavior in the future.

In order to prevent the deceptive budget practices that allowed the County Executive to pay the increased cost of the NWC leases while telling the County Council that the new leases would save money, the Committee recommends the County Council propose to the voters an amendment to the County Charter that would dramatically alter Section 8.050. This change should eliminate the current authority of the County Executive to present spending proposals in a false budget plan. The County Charter should be modified to assure that annual budget proposals are honestly presented in the budget and the County Executive is limited to spending according to the priorities established by the County Council in a legal appropriation process.

The Committee acknowledges that its powers to investigate the NWC lease and related potential wrongdoing are limited. Other than the apparent trade of taxpayer dollars for campaign contributions, the timing of payments from NWC's developers to Stenger and Badino, and any other payments to County officials has not been accessible to the Council. The relationships between multiple limited liability companies involved, their owners, their partners, and their cash flows make any potential wrongdoing difficult if not impossible for the County Council to uncover. Due to the use of federal and state funds to pay much of the County's costs at NWC, the Council should refer this matter to the United States Attorney for the Eastern District of Missouri and the Attorney General for the State of Missouri for full and complete investigations.

Finally, the Ethics Committee recommends that the County Council begin to take all necessary, prudent, and appropriate action to consider voiding and terminating the NWC leases

pursuant to Section 11.080 of the County Charter. Although the County Executive has implied that pursuing such an option would result in the breach of contracts by the County, the County Charter was an implied term of both leases, and was fully known to NWC's developers at the time they executed the leases. The Charter provides these remedies for a reason, and they serve as a fail-safe to allow the County Council to correct ill advised decision of a County Executive. The Committee believes the remedies created by the County Charter are, at a minimum, worth exploring.

¹ EC00001

² EC00032

³ Copies of all correspondence to witnesses requesting appearance and production of documents are contained in the Appendix.

⁴ EC00807-EC00845; EC 1112.

⁵ EC01044

⁶ EC1049

⁷ EC1044; EC1114

⁸ EC798 - EC799; EC807- EC845.

⁹ EC799.

¹⁰ EC00396

¹¹ EC1049.

¹² EC1126.

¹³ EC1125.

¹⁴ EC2504.

¹⁵ See page 103 of the 2017 County Budget, Line Item Budget - account number 531210, Special Program Funding.

¹⁶ EC1279

¹⁷ EC2508

¹⁸ EC769-771.

¹⁹ EC770.

²⁰ EC49.

²¹ EC1112.

²² Anthony Badino, allegedly on advice of counsel, refused to produce the requested documents. Notably, Badino appeared before the Committee without counsel and refused to identify the attorney(s) he consulted who supposedly advised him to withhold the requested documents.

²³ EC2635.

²⁴ These pages are Bates numbered EC 4316 through EC 7088.

²⁵ EC6532.

²⁶ SLC -7593144-1.

²⁷ Copies of the Committee's April 26, 2018 correspondence to the County Executive and Mr. Stenger's response are included in the Appendix.

²⁸ EC00172.

²⁹ EC00172.

³⁰ EC00073.

³¹ EC03476.

³² See Appendix 1 - Total Cost Analysis.

³³ See Appendix 1.

³⁴ See Appendix 1.

³⁵ See 2018 County Budget page 329.

³⁶ For a video of the interview, see <https://www.youtube.com/watch?v=OBK5gu6kf0s>

³⁷ Copies of the County Counselor's memorandum addressing claims of attorney-client privilege and work product doctrine and the privilege log are included in the Appendix.

³⁸ EC1314.

³⁹ EC1316.

⁴⁰ EC0403.

⁴¹ Book 22334 - page 3220, Document No. 790.

⁴² EC0452.

⁴³ EC0495.

⁴⁴ EC0573.

⁴⁵ EC0627.

⁴⁶ EC0653.

Appendix

Year	1	2	3	4	5	6	7	8	9	10	11	12	13
Specklebelly Lease	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Rent Increase		3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	2.90%	2.90%	2.90%
Rent	\$ 12.98	\$ 13.49	\$ 14.03	\$ 14.58	\$ 15.16	\$ 15.75	\$ 16.38	\$ 17.02	\$ 17.70	\$ 18.39	\$ 18.93	\$ 19.48	\$ 20.04
Total	\$ 1,818,264	\$ 1,890,086	\$ 1,964,744	\$ 2,042,352	\$ 2,123,024	\$ 2,206,884	\$ 2,294,056	\$ 2,384,671	\$ 2,478,866	\$ 2,576,781	\$ 2,681,507	\$ 2,788,401	\$ 2,897,525
SF	140,082	140,082	140,082	140,082	140,082	140,082	140,082	140,082	140,082	140,082	140,082	140,082	140,082
Landlord Insurance	\$ 60,000	\$ 62,370	\$ 64,834	\$ 67,395	\$ 70,057	\$ 72,824	\$ 75,700	\$ 78,691	\$ 81,799	\$ 85,030	\$ 87,496	\$ 90,033	\$ 92,644
Property Taxes **	\$ 317,944	\$ 322,714	\$ 327,554	\$ 332,468	\$ 337,455	\$ 342,516	\$ 347,654	\$ 352,869	\$ 358,162	\$ 363,534	\$ 368,987	\$ 374,522	\$ 380,140
Tax Rate %		\$11.7875 from Revenue Web site + \$1.70											
Appraisal	0.04316	Commercial surcharge											
Maintenance	TBD												
Shared													
Utilities	TBD												
CID Sales Tax	\$ 2,905	\$ 2,992	\$ 3,082	\$ 3,174	\$ 3,269	\$ 3,367	\$ 3,468	\$ 3,572	\$ 3,680	\$ 3,790	\$ 3,904	\$ 4,021	\$ 4,141
Gadwall Lease													
Rent	14.98	15.57	16.19	16.83	17.49	18.18	18.90	19.65	20.42	21.23	21.84	22.48	23.13
SF	15,193	15,193	15,193	15,193	15,193	15,193	15,193	15,193	15,193	15,193	15,193	15,193	15,193
Rent	\$ 227,591	\$ 236,581	\$ 245,926	\$ 255,640	\$ 265,738	\$ 276,234	\$ 287,146	\$ 298,488	\$ 310,278	\$ 322,534	\$ 331,888	\$ 341,512	\$ 351,416
Property Tax	\$ 34,484	\$ 35,001	\$ 35,526	\$ 36,059	\$ 36,600	\$ 37,149	\$ 37,706	\$ 38,271	\$ 38,846	\$ 39,428	\$ 40,020	\$ 40,620	\$ 41,229
CID Sales Tax	\$ 315	\$ 324	\$ 334	\$ 344	\$ 355	\$ 365	\$ 376	\$ 387	\$ 399	\$ 411	\$ 423	\$ 436	\$ 449
Total 2 Leases													
SF	155,275	155,275	155,275	155,275	155,275	155,275	155,275	155,275	155,275	155,275	155,275	155,275	155,275
Rent	\$ 2,105,855	\$ 2,189,037	\$ 2,275,504	\$ 2,365,386	\$ 2,458,819	\$ 2,555,942	\$ 2,656,902	\$ 2,761,850	\$ 2,870,943	\$ 2,984,345	\$ 3,070,891	\$ 3,159,947	\$ 3,251,585
Property Tax	\$ 352,428	\$ 357,714	\$ 363,080	\$ 368,526	\$ 374,054	\$ 379,665	\$ 385,360	\$ 391,140	\$ 397,007	\$ 402,963	\$ 409,007	\$ 415,142	\$ 421,369
Rent + Tax	\$ 2,458,283	\$ 2,546,751	\$ 2,638,584	\$ 2,733,912	\$ 2,832,873	\$ 2,935,607	\$ 3,042,262	\$ 3,152,990	\$ 3,267,950	\$ 3,387,307	\$ 3,479,898	\$ 3,575,089	\$ 3,672,954
Construct Offices by County													
\$ 24,843,996	\$160 / sf	Same as Glarner Estimated Cost											
\$ 27,825,275	With Design Premium	Tax Assessor Appraisal is \$30,500,000											
at 4%	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)	(\$2,060,289)
\$28/M	Potential Bond Issue												
No Property Taxes													
No CID / TIF Taxes													
Self Insurance	Lease requires County Purchase Insurance from landlord approved source												
Same Maint	Not Really - Leases requires County to pay for an independent maintenance Contract												
Same Util													
**	Property Taxes shown as first year projected over 20 year term. Actual taxes will increase based on assessment of finished property.												

Total Cost Analysis of Northwest Crossings Leases

Includes Both Specklebelly and Gadwall Leases August 30, 2016

14	15	16	17	18	19	20	20 year Total
2030	2031	2032	2033	2034	2035	2036	
2.90%	2.90%	0%	0%	0%	0%	0	
\$ 20,62	\$ 21,22	\$ 21,22	\$ 21,22	\$ 21,22	\$ 21,22	\$ 21,22	
\$ 2,888,943	\$ 2,972,722	\$ 2,972,722	\$ 2,972,722	\$ 2,972,722	\$ 2,972,722	\$ 2,972,722	\$ 50,692,437
140,082	140,082	140,082	140,082	140,082	140,082	140,082	
\$ 95,331	\$ 98,095	\$ 98,095	\$ 98,095	\$ 98,095	\$ 98,095	\$ 98,095	\$ 1,672,775
\$ 385,842	\$ 391,630	\$ 397,504	\$ 403,467	\$ 409,519	\$ 415,662	\$ 421,897	\$ 7,352,039
Appraised by Cost Method		Assessor's Appraisal is \$30 M for Bldgs 600, 700 & 800		\$ 30,450,400		\$ 52,59	per sq ft
						24% is County Lease	
\$ 4,265	\$ 4,394	\$ 4,525	\$ 4,661	\$ 4,801	\$ 4,945	\$ 5,093	\$ 78,051
23.80	24.49	24.49	24.49	24.49	24.49	24.49	
15,193	15,193	15,193	15,193	15,193	15,193	15,193	
\$ 361,607	\$ 372,094	\$ 372,094	\$ 372,094	\$ 372,094	\$ 372,094	\$ 372,094	\$ 6,345,144
\$ 41,848	\$ 42,475	\$ 43,112	\$ 43,759	\$ 44,416	\$ 45,082	\$ 45,758	\$ 797,387
\$ 463	\$ 477	\$ 491	\$ 506	\$ 521	\$ 536	\$ 552	\$ 8,465
155,275	155,275	155,275	155,275	155,275	155,275	155,275	\$ 2,935,518
\$ 3,345,881	\$ 3,442,912	\$ 3,442,912	\$ 3,442,912	\$ 3,442,912	\$ 3,442,912	\$ 3,442,912	\$ 58,710,356
\$ 427,690	\$ 434,105	\$ 440,617	\$ 447,226	\$ 453,934	\$ 460,743	\$ 467,655	\$ 8,149,426
\$ 3,773,571	\$ 3,877,017	\$ 3,883,528	\$ 3,890,138	\$ 3,896,846	\$ 3,903,655	\$ 3,910,566	\$ 66,859,783
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St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

February 5, 2018

Via inter-office mail

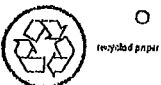
Mr. John Tschopp, Manager Right-Of-Way
Department of Transportation
1050 N. Lindbergh Boulevard
St. Louis, Missouri 63132

Dear Mr. Tschopp:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossing at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossing at Northwest to determine if legislative action is necessary and appropriate. To do so, the Committee will be conducting a series of hearings, the first of which is scheduled for Tuesday, February 13, 2018. As Chairman of the Council's Ethics Committee, I am requesting that you appear before the Committee on February 13th. In addition, to assist the Committee in its inquiry, I also request that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

- Engineering estimates;
- Inspection reports detailing the final measurement of floor space and the condition of said space at time of occupancy;
- Leases for comparable space;
- Correspondence, including but not limited to, any/all written communications, memoranda, electronic mail and text messages, to and from the following:

- o Speckleberry, LLC
- o Gadwall, LLC
- o Raven Development
- o Merganser, ~~Glennier~~, LLC
- o Wigeon, LLC
- o Pintail, LLC
- o Rounders, LLC
- o Snowflake, LLC



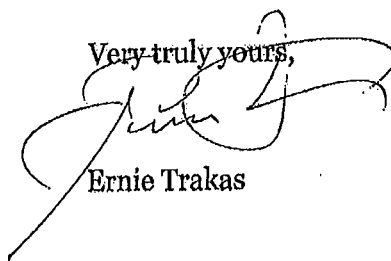
Mr. John Tschopp
February 5, 2018
Page Two

- o Swiss, LLC
- o Summit Development Group, LLC
- o Boreas, LLC
- o Boulder, LLC
- o NWP TIF Incorporated
- o Crossings at Northwest Condominium, LLC
- o any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other
- o person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- o Any other external agent or agency who participated in the lease agreement negotiation
- o Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before February 9, 2018.

Thank you for your anticipated cooperation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over the typed name. The signature is stylized with a large, sweeping initial "E" and a long horizontal stroke extending to the right.

Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
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CLAYTON, MISSOURI 63105

February 5, 2018

Via inter-office mail

Mr. Joseph Hunt, Division Manager
Public Works Design and Construction
Buzz Westfall Justice Center
100 S. Central Ave.
St. Louis, Missouri 63105

Dear Mr. Hunt:

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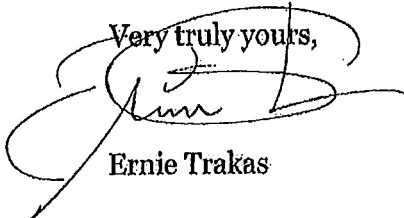
Mr. Joseph Hunt
February 5, 2018
Page Two

- o Snowflake, LLC
- o Swiss, LLC
- o Summit Development Group, LLC
- o Boreas, LLC
- o Boulder, LLC
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- o Crossings at Northwest Condominium, LLC
- o any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other
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Very truly yours,

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Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 8th District



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February 5, 2018

Via inter-office mail

**Mr. Joseph Hunt, Division Manager
Public Works Design and Construction
Buzz Westfall Justice Center
100 S. Central Ave.
St. Louis, Missouri 63105**

Dear Mr. Hunt:

Review of my letter to you dated February 5, 2016, revealed that two (2) of the names of corporate entities which the St. Louis County Council Ethics Committee has requested you to provide copies of documents in your possession, custody or under your control were misspelled. Specifically, "Speckleberry, LLC" should have stated and was intended to indicated "Specklebelly, LLC". Similarly, "Merganser Glarner, LLC" should have stated and was intended to indicate "Merganser, LLC".

Accordingly, please understand that the Committee is requesting that you provide copies of documents (as defined in my earlier letter) to and from any of the corporate entities identified in my February 5, 2018 correspondence, including Specklebelly, LLC and Merganser, LLC. As noted in my earlier correspondence, the Committee is seeking copies of documents that are in any way relevant to the development of the Crossings at Northwest, and/or the negotiation(s) and execution of the leases between St. Louis County and any of the identified corporate entities.

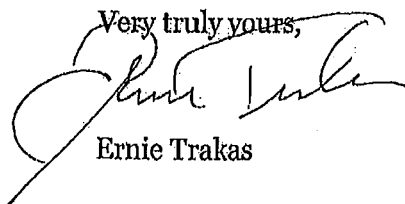
In order to provide you with additional time to furnish the requested documents as pertain to Specklebelly, LLC and/or Merganser, LLC, please provide copies of any responsive documents for these entities on or before Monday, February 12, 2018



Mr. Joseph Hunt
February 7, 2018
Page Two

I apologize for any confusion my error may have caused you.

Very truly yours,

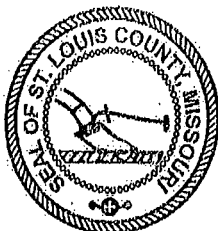
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Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



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February 7, 2018

Via inter-office mail

Mr. John Tschopp, Manager Right-Of-Way
Department of Transportation
1050 N. Lindbergh Boulevard
St. Louis, Missouri 63132

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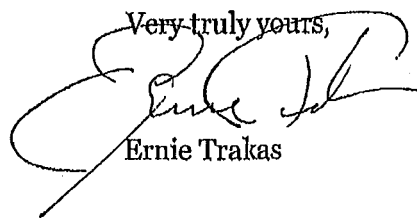
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Mr. John Tschopp
February 7, 2018
Page Two

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Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over the typed name. The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

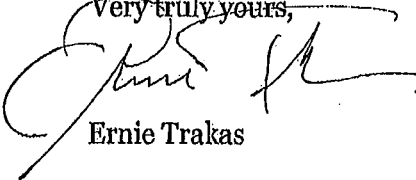
Ernie Trakas

Ernie G. Trakan

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

Mr. Bruce Kothe
February 7, 2018
Page Two

I apologize for any confusion my error may have caused you.

Very truly yours,

Ernie Trakas

Steven V. Stenger
County Executive

Saint Louis
COUNTY

TRANSPORTATION

PUBLIC WORKS

Daniel W. Dreisewerd, P.E., PTOE
Acting Director

Stephanie Leon Streeter, P.E.
Deputy Director

February 7, 2018

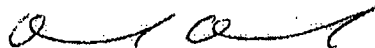
Honorable Ernie Trakas
6th District Councilman
St. Louis County Council
41 S. Central Avenue
Clayton, MO 63105

RE: Mr. John Tschopp, Manager Right-Of-Way

Dear Mr. Trakas:

A letter dated February 5, 2018 was sent to Mr. John Tschopp, Manager Right-Of-Way. Please be advised that Mr. Tschopp retired from St. Louis County on September 1, 2017.

Sincerely,



Daniel W. Dreisewerd, P.E., PTOE
Acting Director

DWD:fem

St. Louis County Council

Ernie G. Trakas
St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63128
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

February 7, 2018

Via inter-office mail

Mr. Daniel W. Dreisewerd, Acting Director
Department of Transportation/Public Works
41 S. Central Avenue
Clayton, Missouri 63105

Dear Mr. Dreisewerd:

Thank you for your letter of February 7, 2018, advising of the retirement of Mr. John Tschopp. That being the case, I will respectfully direct your attention to my letter of February 5, 2016 to Mr. Tschopp. Review of my letter of February 5, revealed that two (2) of the names of corporate entities which the St. Louis County Council Ethics Committee requested Mr. Tschopp to provide copies of documents in his possession, custody or under his control were misspelled. Specifically, "Speckleberry, LLC" should have stated and was intended to indicate "Specklebelly, LLC". Similarly, "Merganser Glarner, LLC" should have stated and was intended to indicate "Merganser, LLC".

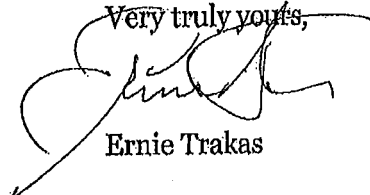
As Mr. Tschopp is no longer employed by the Department of Public Works, I would ask that you provide copies of the requested documents. As my letter of February 5, 2018 indicates, the Ethics Committee is requesting that the Department of Public Works provide copies of documents (as defined in my earlier letter) to and from any of the corporate entities identified in my February 5, 2018 correspondence, including Specklebelly, LLC and Merganser, LLC. As noted in my earlier correspondence, the Committee is seeking copies of documents that are in any way relevant to the development of the Crossings at Northwest, and/or the negotiation(s) and execution of the leases between St. Louis County and any of the identified corporate entities.

Mr. Daniel W. Dreisewerd
February 7, 2018
Page Two

In order to provide you with additional time to furnish the requested documents as pertain to Specklebelly, LLC and/or Merganser, LLC, please provide copies of any responsive documents for these entities on or before Monday, February 12, 2018

I apologize for any confusion my error may have caused you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ernie Trakas', with a large, sweeping flourish extending from the bottom left.

Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 616-6442
314 / 616-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
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41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

February 8, 2018

Via inter-office mail & electronic mail – tmedler@stlouisco.com

Mr. Ted Medler, Planning Division Manager
Department of Transportation
1050 N. Lindbergh Boulevard
St. Louis, Missouri 63132

Dear Mr. Medler:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossing at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossing at Northwest to determine if legislative action is necessary and appropriate. To do so, the Committee will be conducting a series of hearings, the first of which is scheduled for Tuesday, February 13, 2018. As Chairman of the Council's Ethics Committee, I am requesting that you appear before the Committee on February 13th. In addition, to assist the Committee in its inquiry, I also request that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

- Engineering estimates;
- Inspection reports detailing the final measurement of floor space and the condition of said space at time of occupancy;
- Leases for comparable space;
- Correspondence, including but not limited to, any/all written communications, memoranda, electronic mail and text messages, to and from the following:
 - o Specklebelly, LLC
 - o Gadwall, LLC
 - o Raven Development
 - o Merganser, LLC
 - o Wigeon, LLC
 - o Pintail, LLC
 - o Rounders, LLC

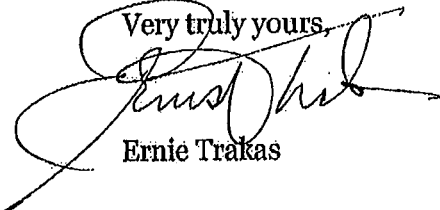


Mr. Ted Medler
February 8, 2018
Page Two

- Snowflake, LLC
- Swiss, LLC
- Summit Development Group, LLC
- Boreas, LLC
- Boulder, LLC
- NWP TIF Incorporated
- Crossings at Northwest Condominium, LLC
- any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other
- person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- Any other external agent or agency who participated in the lease agreement negotiation
- Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before your appearance before the Committee on February 13, 2018.

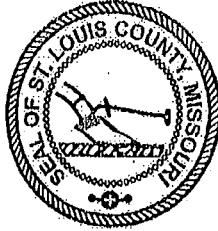
Thank you for your anticipated cooperation.

Very truly yours,

Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

February 22, 2018

Via inter-office mail & electronic mail – pkreidler@stlouisco.com

Mr. Paul Kreidler
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Kreidler:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossing at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossing at Northwest to determine if legislative action is necessary and appropriate. As Chairman of the Council's Ethics Committee, I am requesting that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

- Engineering estimates;
- Memoranda analyzing the benefit/detriment of proposed development and/or lease(s);
- Inspection reports detailing the final measurement of floor space and the condition of said space at time of occupancy;
- Leases for comparable space;
- Correspondence, including but not limited to, any/all written communications, memoranda, electronic mail and text messages, to and from the following:

- o Specklebelly, LLC
- o Gadwall, LLC
- o Raven Development
- o Merganser, LLC
- o Wigeon, LLC
- o Pintail, LLC
- o Rounders, LLC
- o Snowflake, LLC

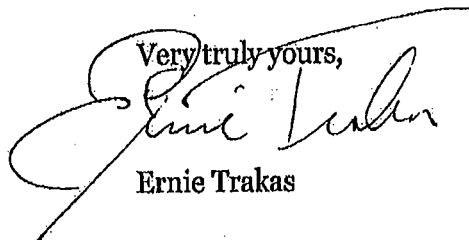


Mr. Paul Kreidler
February 22, 2018
Page Two

- o Swiss, LLC
- o Summit Development Group, LLC
- o Boreas, LLC
- o Boulder, LLC
- o NWP TIF Incorporated
- o Crossings at Northwest Condominium, LLC
- o any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other
- o person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- o Any other external agent or agency who participated in the lease agreement negotiation
- o Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before March 2, 2018.

Thank you for your anticipated cooperation.

Very truly yours,

Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
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LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

February 22, 2018

Via inter-office mail & electronic mail – gpowers@stlouisco.com

Mr. Glenn Powers
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Powers:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossing at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossing at Northwest to determine if legislative action is necessary and appropriate. As Chairman of the Council's Ethics Committee, I am requesting that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

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- o Gadwall, LLC
- o Raven Development
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- o Wigeon, LLC
- o Pintail, LLC
- o Rounders, LLC



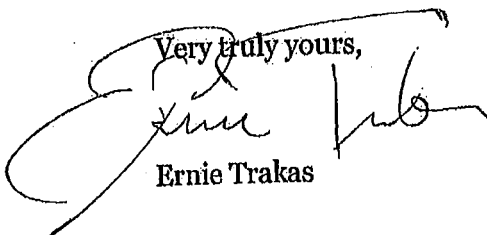
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Mr. Glenn Powers
February 22, 2018
Page Two

- o Snowflake, LLC
- o Swiss, LLC
- o Summit Development Group, LLC
- o Boreas, LLC
- o Boulder, LLC
- o NWP TIF Incorporated
- o Crossings at Northwest Condominium, LLC
- o any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- o Any other external agent or agency who participated in the lease agreement negotiation
- o Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before March 2, 2018.

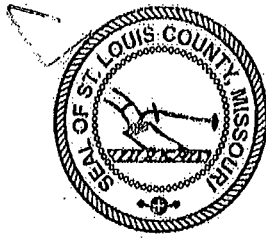
Thank you for your anticipated cooperation.

Very truly yours,

Ernie Trakas

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

February 22, 2018

Via inter-office mail & electronic mail – sleonstreeter@stlouisco.com

Ms. Stephanie Leon Streeter
Department of Transportation
1050 N. Lindbergh Boulevard
St. Louis, Missouri 63132

Dear Ms. Streeter:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossing at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossing at Northwest to determine if legislative action is necessary and appropriate. As Chairman of the Council's Ethics Committee, I am requesting that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

- Engineering estimates;
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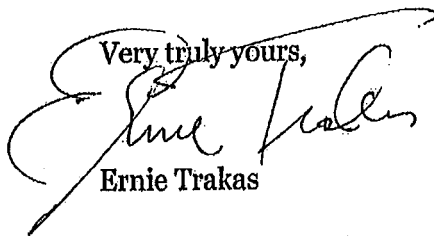
- o Specklebelly, LLC
- o Gadwall, LLC
- o Raven Development
- o Merganser, LLC
- o Wigeon, LLC
- o Pintail, LLC
- o Rounders, LLC

Ms. Stephanie Leon Streeter
February 22, 2018
Page Two

- Snowflake, LLC
- Swiss, LLC Summit Development Group, LLC
- Boreas, LLC
- Boulder, LLC
- NWP TIF Incorporated
- Crossings at Northwest Condominium, LLC
- any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other
- person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- Any other external agent or agency who participated in the lease agreement negotiation
- Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before March 2, 2018.

Thank you for your anticipated cooperation.

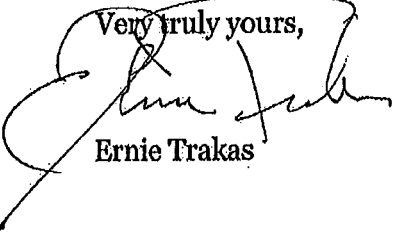
Very truly yours,

Ernie Trakas

Mr. Peter Krane
February 22, 2018
Page Two

- Snowflake, LLC
- Swiss, LLC Summit Development Group, LLC
- Boreas, LLC
- Boulder, LLC
- NWP TIF Incorporated
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- person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- Any other external agent or agency who participated in the lease agreement negotiation
- Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before March 2, 2018.

Thank you for your anticipated cooperation.

Very truly yours,

Ernie Trakas

Steven V. Stenger
County Executive



Peter J. Krane
County Counselor

February 27, 2018

Mr. Ernie Trakas
Councilmember, 6th District
41 S. Central Ave., Floor 1
Clayton, MO 63105

Dear Councilmember Trakas:

I am in receipt of your February 22, 2018 letter requesting certain documents be gathered and provided to you and your Committee. Please know we are in the process of gathering all non-privileged responsive documents. However, I will be out of town from February 28 through March 5, 2018 which will cause us to be unable to provide a complete response by the March 2, 2018 deadline. Therefore, I request that the deadline be moved to March 8, 2018.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Krane".

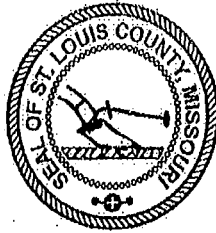
Peter J. Krane
County Counselor

PJK/pm

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

27
February 22, 2018

Via inter-office mail & electronic mail – pkrane@stlouisco.com

Peter Krane, Esq.
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Krane:

I am in receipt of your February 27, 2018, letter responding to the February 22, 2018, Ethics Committee's request for documents from your office. In your letter you indicate that you are in the process of "gathering all non-privileged responsive documents." In light of the foregoing statement I am requesting that you identify what and whose privilege you assert prevents production of all responsive documents. In addition, I am also requesting that you provide a privilege log detailing the date and nature of each document, as well as the nature of the professed privilege you believe prohibits you from producing said document(s).

Thank you,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over a horizontal line.

Ernie Trakas

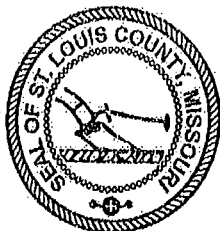


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St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-6442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

March 9, 2018

Delivered by Inter-Office Mail & Electronic Mail – pkrane@stlouisco.com

Mr. Peter Krane, Esq.
County Counselor
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Krane:

The Ethics Committee of the St. Louis County Council will be conducting a hearing concerning the leases at the Crossing at Northwest on Tuesday, March 20, 2018, at 3:00 p.m. As Chairman of the Council's Ethics Committee, I am requesting that you appear before the Committee at that time. Also, I reiterate my request that, if you have not already done so, please furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases as described in my letter to you of February 22, 2018.

Your anticipated cooperation is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ernie Trakas", is written over a horizontal line.

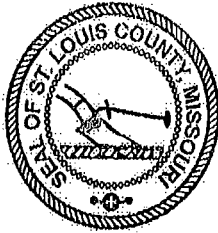
Ernie Trakas



St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



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41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-6442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

March 9, 2018

Delivered by Inter-Office Mail & Electronic Mail -- pkcrane@stlouisco.com

Mr. Peter Krane, Esq.
County Counselor
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Krane:

This letter is in follow up to my earlier letter to you of today's date. My initial letter to you incorrectly indicated the wrong date for the Ethics Committee hearing concerning the leases at the Crossing at Northwest as Tuesday, March 20, 2018, at 3:00 p.m. The hearing is actually scheduled for March 27, 2018, at 3:00 p.m. The Committee continues to request that you appear before it at that day and time.

I apologize for any confusion.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over a horizontal line. The signature is stylized and cursive.

Ernie Trakas



St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 8th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 815-5442
314 / 815-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

March 2, 2018

Via inter-office mail & electronic mail – sleonstreeter@stlouisco.com

Ms. Stephanie Leon Streeter
Department of Transportation
1050 N. Lindbergh Boulevard
St. Louis, Missouri 63132

Dear Ms. Leon Streeter:

The Ethics Committee of the St. Louis County Council will be conducting a hearing concerning the leases at the Crossing at Northwest on Tuesday, March 6, 2018, at 1:30 p.m. As Chairman of the Council's Ethics Committee, I am requesting that you appear before the Committee at that time. Also, I reiterate my request that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases as outlined in my letter to you of February 22, 2018 in advance of your appearance at the hearing.

Your anticipated cooperation is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over a horizontal line. The signature is fluid and cursive.

Ernie Trakas



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St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 616-5442
314 / 616-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

March 2, 2018

Via inter-office mail & electronic mail – gpowers@stlouisco.com

Mr. Glenn Powers
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Powers:

The Ethics Committee of the St. Louis County Council will be conducting a hearing concerning the leases at the Crossing at Northwest on Tuesday, March 6, 2018, at 1:30 p.m. As Chairman of the Council's Ethics Committee, I am requesting that you appear before the Committee at that time. Also, I reiterate my request that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases as described in my letter to you of February 22, 2018, in advance of your appearance at the hearing.

Your anticipated cooperation is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over a horizontal line.

Ernie Trakas



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St. Louis County Council



Ernie G. Trakas

St. Louis County Council, 6th District

3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7090 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

March 9, 2018

Mr. Anthony Badino
1521 Collins Avenue
Richmond Heights, Missouri 63117

Dear Mr. Badino:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossing at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossing at Northwest to determine if legislative action is necessary and appropriate. To do so, the Committee has been conducting a series of hearings, the next hearing is scheduled for Tuesday, March 20, 2018. As Chairman of the Council's Ethics Committee, I am requesting that you appear before the Committee on March 20th. In addition, to assist the Committee in its inquiry, I also request that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

- Engineering estimates;
- Inspection reports detailing the final measurement of floor space and the condition of said space at time of occupancy;
- Leases for comparable space;
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 - o Gadwall, LLC
 - o Raven Development
 - o Merganser, LLC
 - o Wigeon, LLC
 - o Pintail, LLC
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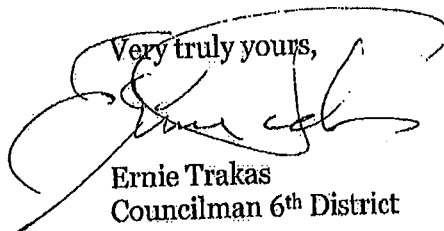
Mr. Anthony Badino
February 8, 2018
Page Two

- Snowflake, LLC
- Swiss, LLC
- Summit Development Group, LLC
- Boreas, LLC
- Boulder, LLC
- NWP TIF Incorporated
- Crossings at Northwest Condominium, LLC
- any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other person or entity acting for or on any of their behalf of the above named Limited Liability Corporations
- Any other external agent or agency who participated in the lease agreement negotiation
- Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before your appearance before the Committee on March 16, 2018.

Thank you for your anticipated cooperation.

Very truly yours,



Ernie Trakas
Councilman 6th District

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@slcoulscoc.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

March 9, 2018

Mr. Anthony Badino
1521 Collins Avenue
Richmond Heights, Missouri 63117

Dear Mr. Badino:

Please note that the correspondence I sent to you earlier today indicated that the St. Louis County Council Ethics Committee has scheduled a hearing for Tuesday, March 20, 2018. That date was incorrect. The hearing will take place on Tuesday, March 27, 2018 at 3:00 p.m. As noted in my earlier letter, the Committee requests that you appear March 27th at 3:00 p.m. Also, I reiterate the request that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases as described in my initial letter to you of March 9, 2018, in advance of your appearance at the hearing.

I apologize for any confusion and look forward to seeing you on March 27, 2018

Very truly yours,

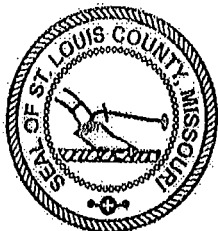
A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over the typed name and title.

Ernie Trakas
Councilman 6th District

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

March 13, 2018

Delivered Via Inter-Office and Electronic Mail

Mr. Rick Nolle
Chief Information Officer
7900 Forsyth
Floor 3
Clayton, Missouri 63105

Dear Mr. Nolle:

The St. Louis County Council has received troubling reports concerning the County's leases at the Crossings at Northwest. The County Council Ethics Committee is reviewing the County's development and negotiation of the leases at the Crossings at Northwest to determine if legislative action is necessary and appropriate. As Chairman of the Council's Ethics Committee I am requesting that you furnish the Committee with copies of electronic communications to and from Anthony Badino in any way relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications to or from Mr. Badino between January 2, 2015 and February 6, 2017, involving any of the following:

- Engineering estimates;
- Inspection reports detailing the final measurement of floor space and the condition of said space at time of occupancy;
- Leases for comparable space;
- Correspondence, including but not limited to, any/all written communications, memoranda, electronic mail and text messages, to and from the following:
 - o David Glarner
 - o Robert Glarner, Jr.
 - o Nicholas Gardner
 - o Specklebelly, LLC



Mr. Rick Nolle
March 13 2018
Page Two

- o Gadwall, LLC
- o Raven Development
- o Merganser Glarner, LLC
- o Wigeon, LLC
- o Pintail, LLC
- o Rounders, LLC
- o Snowflake, LLC

- o Swiss, LLC
- o Summit Development Group, LLC
- o Boreas, LLC
- o Boulder, LLC
- o NWP TIF Incorporated
- o Crossings at Northwest Condominium, LLC
- o any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals acting or purporting to act under the direction or control of the above named Limited Liability Corporations.
- o anyone acting or purporting to act under the direction or control of the above named Limited Liability Corporations, or their attorneys, or any other person or entity acting for or on behalf of the above named Limited Liability Corporations
- o Any other external agent or agency who participated in the lease agreement negotiation
- o Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before March 21, 2018.

Thank you for your anticipated cooperation.

Very truly yours,


Ernie Trakas

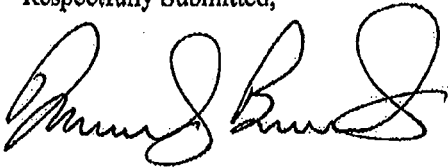
a.) any employees, attorneys, accountants, auditors, consultants, federal, state or local governmental agencies, their professional persons, experts, related entities or individuals, anyone acting or purporting to act under the direction or control of them or their attorneys, or any other person or entity acting for or on any of their behalf including:

b.) Garry Earls, Christina Phan, Mike Jones, Patricia Washington, Jonathon Boesch, Winston Calvert, Paul Zemitzsch, Mark Mantovani, Jon Clancy and William Ray.

If my request is denied in whole or part, I ask that you justify all deletions by reference to specific exemptions of the law, as the law requires, and that you release all portions of non-exempt material, with exempt portions redacted.

I look forward to your reply within the Sunshine Law's three-day limit. I can be contacted at mbenoist@stlouisco.com

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Benoist", written in a cursive style.

Michael Benoist

St. Louis County Executive's Office
41 S. Central
Clayton, MO, 63105

Steven V. Stenger
County Executive

Saint Louis
COUNTY
COUNTY COUNSELOR

Peter J. Krane
County Counselor

March 22, 2018

Mr. Ernie Trakas
Councilmember, 6th District
41 S. Central Ave., Floor 1
Clayton MO, 63105

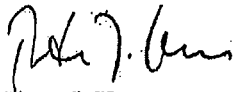
Re: Hearing

Dear Mr. Trakas:

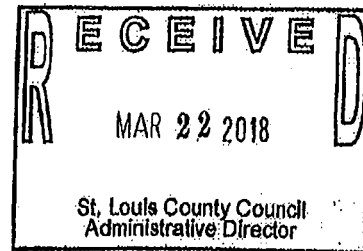
In response to your invitation that I appear before your Ethics Committee on March 27, 2018, please know I intend to appear. However, as a legal representative of St. Louis County I am bound by professional obligations not to discuss or opine on matters of a confidential nature. Consequently, I will not address any topic or provide a response to any inquiry that may require me to, among other things, disclose advice and counsel to a client or other attorney in my office, provide a legal opinion or comment on the work product of others. I would hope any inquiry of me would focus on matters of fact so as to avoid any potential professional pitfalls.

I am available to discuss these issues at your convenience.

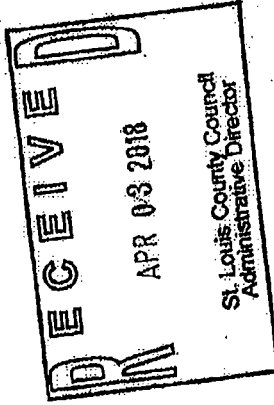
Very truly yours,



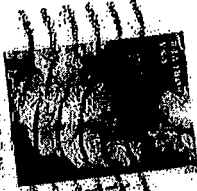
Peter J. Krane
County Counselor



Crossings at Northwest
715 Northwest Plaza Drive
Saint Ann, MO 63074



SAINT LOUIS MO 630
29 MAR 2018 PM 6 L



St. Louis County Council
41 South Central Avenue, 1st Floor
Clayton, MO 63105

Attn: Emile Trakas

63105-176101



Many of us Worker-Bees in Public Works read:

"Front man on Northwest Plaza deal testifies he wouldn't have done it differently"

By Jeremy Kohler, Investigative Reporter - St. Louis Post-Dispatch Tues. March 27th

Excerpts;

Anthony Badino testified the administration was convinced "this was the place" if the mall's owners agreed to customize the space to the county's specifications.

He said he was sorry if feelings were hurt, but said those employees were upset because they didn't think the owners could make good on the customizations to the space before the county occupied them. And, he said, they were wrong.

I THINK NOT MR. BADINO

Most of the Public Works work load has been directly for the 9th floor since Mr. Stenger has been sworn in.

The 9th floor thinks our staff is to serve Mr. Stenger's personal agenda of getting re-elected. We were already overworked and understaffed with skilled carpenters only making \$15.25 an hour for the last several years with no pay increase.

The 9th floor insists that we pay contractors pre-vailing wage. Then we come in and remove the contractor's work to oblige each Director's personal whim. We are told repeatedly because we are cheap. Ya think?

Enough is Enough

MR. STENGER GIVE US A FAIR WAGE!!!!!!!!!!!!!!!!!!!!!!!!!!!!

Northwest Crossings Factual Information

Once the Northwest Crossings building was completely remodeled professionally by the developer, St. Louis County Public Works staff went in and tore out many new walls to rearrange for each of the Department Director's personal requests. Several thousand dollars of taxpayer's money have been spent for these changes.

The Department of Human Services just relocated from 9666 Olive to Northwest Crossings Tower building. This 8th floor was completely remolded by the developer and yes this was also torn up and remodeled by county staff for the whim of the director moving there. Again several thousand dollars of taxpayer's money was spent this year.

Just to be clear these spaces were completely renovated by the developer and were in pristine condition only to be gutted/butchered by county staff to remodel per each director's wants (not needs). There is more remodeling coming. Please Investigate. This is ongoing.

Board of Elections

After the Board of Elections moved from the Sunnen address, St. Louis County Public Works staff did a complete restoration to the pre-lease condition. At least \$50k spent in May 2017

North Oaks

After trying to get numerous tenants to sub-lease the North Oaks building, the Administration contracted out work in excess of \$150k to move in a tenant who has yet to move in.

The Administration is now planning on spending at least another \$300k on the remainder of the building to force the police to move in.

This money was meant to remodel the Administration building's concourse level which has been reported to have mold and is in complete disrepair – people assigned to work in this hell-hole are becoming sick.

Moving Expenses

Please investigate the actual moving expenses and new furniture expenses for these spaces. Several thousands of dollars were spent.

Recommendation:

Bring Mr. Hunt back in and ask him the right questions.

4/3/18

Someone put this in
my mail box & I
opened the envelope
before I realized it
was addressed to you.
I apologize. I did
not read it.

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-6442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

April 6, 2018

Via inter-office mail & electronic mail -- sstenger@stlouisco.com

Honorable Steven V. Stenger
County Executive, St. Louis County
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Stenger:

As you know, the St. Louis County Council has received troubling reports concerning the County's leases at the Crossings at Northwest. The County Council Ethics Committee is reviewing the County's development of, and leases at the Crossings at Northwest to determine if legislative action is necessary and appropriate. As Chairman of the Council's Ethics Committee, I am requesting that you furnish the Committee with copies of documents relevant to the development of the project, and the negotiation(s) and execution of the subject leases. Specifically, I am requesting that you provide copies of all communications involving the following:

- Engineering estimates;
- Memoranda analyzing the benefit/detriment of proposed development and/or lease(s);
- Inspection reports detailing the final measurement of floor space and the condition of said space at time of occupancy;
- Leases for comparable space;
- Correspondence, including but not limited to, any/all written communications, memoranda, electronic mail and text messages, to and from the following:

- o Specklebelly, LLC
- o Gadwall, LLC
- o Raven Development
- o Merganser, LLC
- o Wigeon, LLC
- o Pintail, LLC
- o Rounders, LLC



Hon. Steven V. Stender

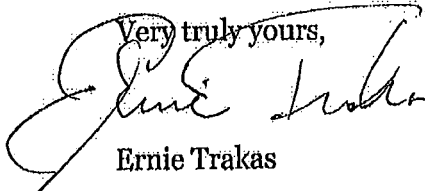
April 6, 2018

Page Two

- o Snowflake, LLC
- o Swiss, LLC
- o Summit Development Group, LLC
- o Boreas, LLC
- o Boulder, LLC
- o NWP TIF Incorporated
- o Crossings at Northwest Condominium, LLC
- o any employees, attorneys, accountants, auditors, consultants, other professional persons, experts, investigators, related entities or individuals, and/or anyone acting or purporting to act under the direction or control of any of the above named Limited Liability Corporations or their attorneys
- o Anthony Badino
- o David Glarner
- o Robert Glarner
- o Any other external agent or agency who participated in the lease agreement analysis and/or negotiation
- o Any and all internal communications between County government offices and employees regarding the Northwest leases including all interoffice emails and any other internal notes, memos, or meeting minutes / notes.

In order for the Committee's review to proceed in an expeditious manner, I am requesting that you provide copies of all documents responsive to the foregoing request in your possession or under your control on or before April 13, 2018.

Thank you for your anticipated cooperation.

Very truly yours,

Ernie Trakas

cc: Sam Page, Hazel Erby, Mark Harder





OFFICE OF THE COUNTY EXECUTIVE

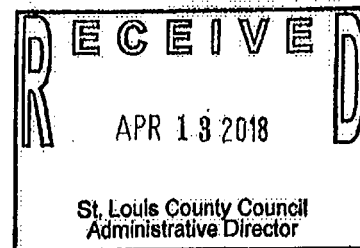
SAINT LOUIS COUNTY
41 SOUTH CENTRAL AVENUE
SAINT LOUIS, MISSOURI 63105

STEVEN V. STENGER

(314) 615-7016

April 13, 2018

Honorable Ernie Trakas
St. Louis County Council
District 6
Lawrence K. Roos County Government Building
Clayton, MO 63105



Dear Mr. Trakas:

Please be advised that I am serving as the Acting Custodian of Records for the St. Louis County Executive's Office in Glenn Powers' absence.

I am writing in response to your request, dated April 6, 2018, for communications from the County Executive. We are in the process of gathering and copying the records and should be able to provide them to you by Thursday, April 19, 2018.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William L. Miller, Jr.", written over a horizontal line.

William L. Miller, Jr.
Chief of Staff
County Executive's Office

Hon. Ernie Trakas
April 13, 2018
Page Two

- Copies of electronic mail that were provided to the Committee by County employees
- Text messages between Councilman Trakas, Genevieve Frank and Councilman Page
- Committee Notices
- Attendance sheets from the Committee Hearings
- Notes taken by Genevieve Frank regarding the Committee hearings and testimony
- Electronic mail from Councilman Trakas to other Committee members outlining future dates for Committee hearings

Then, in a separate email on March 21, 2018, Genevieve Frank stated that "I have provided you all the records pursuant to your request I currently have in my custody, except for the recordings of the two committee meetings." In conclusion, Genevieve Frank stated "I am currently reviewing the remainder of your request and will provide you with a further response by 5:00 p.m. on Friday" (March 23, 2018).

On April 4, 2018, I received an email from Genevieve Frank stating that "Below is the link to the web page on which the documents are posted. As we discussed, I am hoping that the additional three files containing pages 1381 through 4047 will be uploaded on Monday and then able to be viewed on Tuesday" (April 10, 2018).

In the email mentioned above, the following URL was provided:
<http://www.stlouisco.com/YourGovernment/CountyCouncil/StandingCommittees/EthicsCommittee>

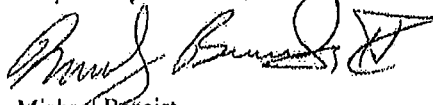
Upon review of the documents provided on this webpage, it is impossible to discern which documents are responsive to my request dated March 20, 2018. Under Chapter 610, RSMo, I am entitled to a response to each request for a public record. In addition, I am entitled to know when such request has been satisfied and if any documents have been withheld pursuant to the exemptions set forth in Chapter 610, RSMo.

Please consider this communication a request for the following:

1. To identify which records are responsive to my original request, dated March 20, 2018?
2. To confirm whether or not the Sunshine Law Request dated March 20, 2018 has been satisfied?
3. To confirm whether any documents have been withheld for exemptions set forth in Chapter 610, RSMo?

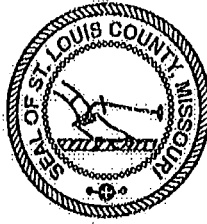
Thank you for your anticipated cooperation.

Respectfully Submitted,



Michael Benoist
County Executive's Office

Ernie G. Drakatz
St. Louis County Council, 6th District



COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

Via inter-office and electronic mail (sstenger@stlouisco.com)

Dear County Executive Stenger:

I am writing to you as Chair of the Ethics Committee of the County Council. Over the past several weeks, we have held several hearings into the County's leases at Northwest Crossings, and have heard the testimony of many County employees, political appointees, and your current and former staff. In addition, the Committee has obtained and reviewed several thousand pages of documents, including documents your office provided in response to the Committee's April 6, 2018 request. The committee appreciates your cooperation.

The Committee is nearing the completion of its inquiry into this matter. Given your unique role in negotiating the Northwest Crossings leases, we have several questions for you. However, out of respect for your busy schedule as County Executive, we have agreed to submit our initial questions to you in writing. Your appearance as a witness may still be needed, but hopefully your full and complete responses to the following questions will obviate the need for live testimony.

Our questions for you are, as follows:

1. You have publically asserted that the Northwest Crossings project resulted in 2,500 jobs and 20 employers locating to the facility. You have not, however, explained that many of those employees work for County government and had been working in other parts of the County: Northwoods, Maplewood, Ollivette, or Hazelwood. The "new employers" in St. Ann are, therefore, largely old employers who relocated from other parts of the County. The Committee will appreciate you identifying and listing all truly "new" jobs and/or employers. With respect to existing jobs that have been relocated, what makes being



located in St. Ann superior to leaving the jobs and county government functions where they had been?

2. The leases with Specklebelly LLC and Gadwall LLC (the "Glarners LLCs") will cost the County treasury more than \$58 million in fixed lease payments, as well as more than \$15 million in payments for the other landlord costs over the 20-year period of the leases. At the end of the leases, the County taxpayers will not own any of the real estate involved. The County owns Jamestown Mall and is paying more than \$350,000 per year to lease space at the North Oaks Shopping Center. Why did you not invest some of the \$73 million spent on the Northwest Crossings leases on Jamestown Mall or North Oaks?
3. Please list, and summarize the content of, all of your meetings, phone calls, text messages, emails, or other communications with Robert and David Glarner since January 2014. In each encounter, summarize what was discussed, and specifically state whether you discussed campaign contributions, the Northwest Crossings project, the County leases at Northwest Plaza, the Tax Increment Finance (TIF) at Northwest Crossings, the New Market Tax Credits sponsored by the County at Northwest Crossings, the Glarners' private financing. Please specifically note any interaction that covered more than one subject.
4. The County lease with Specklebelly lists fourteen (14) limited liability companies owned by the Glarners that are somehow party to the lease. You and your family also have several limited liability companies. Are there or have there been any direct or indirect relationships between you (or your family LLCs) and the Glarners (and any of their LLCs) other than the \$365,000 in campaign contributions reported in your campaign finance reports?
5. The total expected cost of the Northwest Crossings leases is \$73 million or more over the 20-year fixed term of the lease. Did you consider building a similar sized building and financing it using the County's credit? It appears the County could build the facility on County owned property and pay the finance charges over twenty years and save more than \$30 million, and the County taxpayers would own the building at the end. If you did consider this option, please provide the analysis and explain why the long-term lease option was chosen over building and owning our own facility.
6. Please explain how you (or your staff) calculated that the Northwest Crossings lease would "save the County" \$10 million over twenty years. Mr. Miller and Mr. Badino have assured the Committee that your staff produced a spreadsheet in 2016 that established this number. We have searched through 7,088 pages of documents provided by you and your staff to this point and have finally found a cryptic spreadsheet that reflects questionable calculation. There are several concerns with the spreadsheet (a copy of which is attached for your convenience) and the calculation. First, it shows that the old leases (space county offices will vacate if moved to NW Crossings) total 155,193 square feet. In fact, the old leases represent space totaling 123,463 square feet. Your

spreadsheet shows that the average cost of the old leases was \$16.00 per square foot, but the leases and your budget the correct figure to be only \$11.08 per square foot. Finally your spreadsheet shows an annual increase in the old leases to be 3.95% compounded annually. We cannot verify that any of the old leases had an annually compounded increase and none of them were to increase by 3.95%. It appears that you applied the factors you negotiated in the new Glarner leases to the old lease amounts. Please provide your rationale for the square footage of the old leases, the average cost per square foot for the old leases, and the basis for your assumption of an annually compounded increase in the lease rates. Also, please provide the spreadsheet in electronic format, including the metadata from preparation of the document before July 12, 2016, the date the council approved the lease ordinance.

7. On July 6, 2016 on the McGraw Millhaven radio show, you made three important claims. First, you claimed there had been an external financial analysis of the lease by experts outside the government that showed the lease to be a good deal for the government. Second, you claimed there had been a competitive process to determine the Glarner leases were the best deal available to support the County's requirements. Finally, you stated that you had personally engaged with the landlord to get the deal done. You stated that your staff had faltered and you had to personally engage to get to a final deal. Upon questioning in the Ethics Committee, Mr. Badino told the Committee that there had been no external financial analysis of the lease, there had not been a competitive process to determine the price of the lease, and that to his knowledge you had not engaged directly with the Glarner to finalize a deal. Who is right? In addition, please identify the external financial analysis of the leases, and provide a copy of that analysis. Please also describe the competitive process that was used, and explain your personal interactions with the landlord.
8. It appears that the County entered into the Specklebelly lease that required the County to pay all of the landlord's operating costs, including property taxes without determining what the property tax bill could be. The staff was apparently surprised to get a large invoice (\$140,000) to prepay property taxes for the 2017 tax year on December 6, 2016. This is 96 days after the lease had been signed, which states in paragraph 1.4(a) the County is required to pay the entire tax bill. Mr. Badino said his one regret was not negotiating the tax reimbursement and limiting this cost. In fact, the actual tax bill for 2017 (paid in December 2017) was more than \$300,000. Furthermore, because of the standard tax rates in St. Ann and because the Assessor had not yet fully appraised the revitalized property at Northwest Crossings, the tax bill for 2018 and the future is expected to be significantly greater. The taxes paid into the County have been remitted to the St. Ann TIF commission for their disbursement. St. Ann borrowed \$33 million on January 1, 2018 to pay much of the developers costs at Northwest Crossings and is using the taxes (much of which is paid by St. Louis County) to service this debt. Please explain how the payment of taxes in the TIF district entered into your personal negotiation of the lease to make sure the County got a good deal.

9. What is the County's current forecast of property tax payments that will be required over the 20 year term of the lease(s)?
10. On December 30, 2016, Boreas LLC (a Glarner-owned entity) borrowed \$32 million in cash from Wells Fargo using the County's no-termination lease as surety. The County facilitated this loan by signing off on a subordination agreement - two days before the lease period started. So the Glarner entities have been provided \$33 million from the TIF, \$32 million from the Wells Fargo loan, \$30 million in New Market Tax credits from the Economic Development Partnership, and \$8 million in Brownfield tax credits. This total of \$103 million has essentially been invested by the taxpayers. How much have the Glarner's invested? How much of the Northwest Crossings development will the taxpayers own in 20 years?
11. Paragraph 20.26 of the lease is titled "Appropriation." This clause as originally drafted in the March 1, 2016 version of the lease merely said the "Tenant's payment obligations under this lease are subject to annual appropriation." It went on to say that the tenant agrees to ask County Council to appropriate the funds required to make payments on the lease.

The final version of the lease (the one currently in effect) says "In the event of a non-appropriation Tenant (County) agrees that the Tenant shall not open or operate (or allow to be opened or operated) any other facility replacing (or in substitution of) any of Tenant's then current or prior uses, operations or activities occupying or occurring (or formerly occupying or occurring) at the Premises (Northwest Crossings) at any time during the lease term".

This clause effectively creates a death penalty intended to limit the County Council's Charter authority to appropriate future spending plans in the County's annual budget.

Please explain your involvement in the negotiation of this clause of the lease. Why would you agree to such an onerous condition in the lease? What is the expected financial impact should the County Council refuse to appropriate the lease payments for the Northwest Crossings lease in 2019? What are the expected operational impacts should the Council fail to appropriate the funds for payments required in the lease?

12. The St Louis County Charter Section 11.080 says in part "No officer or employee of the county, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of any contract, job, work or service for the county. No such officer or employee shall accept any service or thing of value, directly or indirectly, from any person, firm or corporation having dealings with the county, upon more favorable terms than those granted to the public generally; nor shall he receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable to the county, or by any person in connection with any dealings with the county, or by any person in connection with any dealings with or proceedings before any office, officer, department, board, commission or other agency of the county. "

Section 11.080 goes on to state "Any contract made in violation of this section may be declared void by the county executive or by resolution of the council. The requirements and penalties of this section shall be in addition to all other provisions and penalties provided by law."

If, as you have publically stated, you personally engaged in negotiation of this contract / lease. And, just as clearly, your personal relationship with the Glarners (Developers/Landlords of Northwest Crossings) led to their contributions of more than \$365,000 to your political campaign. Please explain the fiscal and operational impact should the County Council declare the Northwest Crossings leases void.

13. Paragraph 15.4 titled "Indemnification of the Landlord" is a very unusual agreement for a County government to enter. It requires the County to hold harmless not only the Landlord (Specklebelly LLC) but seven other LLCs (all owned by the Glarners) and anyone else including a litany of unnamed parent companies, affiliates, officers, directors, employees, contractors and apparently anyone else as yet unknown. This clause appears to expose the County to an extraordinary level of liability for activities of the landlord yet the clause goes on to say that the Landlord would have no responsibility for any losses to the County's property or improvements even due to the Landlord's simple negligence. Moreover, this clause requires the County to pay the attorney's fees for any dispute related to the Landlord's liability.

Please explain your participation in the negotiation of this clause in the lease. What do you expect the fiscal impact of this clause to be to the County over the life of the lease?

14. Why did you choose Mr. Badino rather than the Public Works staff who have been hired, trained and experienced to negotiate the lease, and who historically negotiate leases on behalf the county? This is the largest lease in County history. It has longest term. Mr. Badino had no major real estate experience, no training, and no license to do major real estate transactions either for government or in private sector. What were the qualifications Mr. Badino provided to the negotiation of the Northwest lease that were unique and not available in the Public Works staff?
15. With regard to Mr. Badino payments from your political campaign, you said you owed him \$35,000 in bonus money after the 2014 election cycle. Mr. Badino said you owed him \$15,000 for winning the Primary election in August 2014 and another \$20,000 for winning the General election in November 2014. Your campaign finance reports show you paid Mr. Badino more than \$35,000 after the election in November 2014 and before April 15, 2015. Then you paid him another \$22,000 in July 2015 - 8 months after the elections were over. In total, you paid Mr. Badino \$43,000 in 2015 - after you had hired and placed him in a \$92,000 per year political patronage position in the County. What were Mr. Badino's campaign jobs after the 2014 election? What were Mr. Badino's campaign responsibilities in 2015 after you hired and placed him in a County Government paid position? Why were there no debts listed on your campaign finance reports showing you still owed Mr. Badino for his efforts during the 2014 election cycle?

Hon. Steven V. Stenger
April 26, 2018
Page 6 of 6

16. Did you receive assistance and/or advice in preparing your answers to this questions? If so, who provided said advice and assistance? Please identify every individual that advized or assisted you, and note which question(s) you received advice or assistance; who provided the advice/assistance and why.
17. Numerous documents requested by the Ethics Committee were withheld from the Committee and the County Council. What were the documents that have been withheld? Please list the title, subject, author, receiver, and rationale to withhold for each. Who determined each document was to be withheld? Who advised the withhold of documents?

The Committee will appreciate receiving your answers to the foregoing questions on or before May 11, 2018. Thank you in advance for your cooperation.

Very truly yours,


Ernest G. Trakas

cc: Jeffrey Wagoner (via electronic mail)
William Miller (via electronic mail)

Northwest Crossing Lease Analysis

	Eq. Pt.	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3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St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7890 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

April 27, 2018

Delivered via Inter-Office and Electronic Mail (pkrane@stlouisco.com)

Mr. Peter Krane, County Counselor
41 S. Central Avenue
St. Louis, MO 63105

RE: Attorney-Client Privilege as between the St. Louis County Counselor and County Employees

Dear Mr. Krane:

Thank you for taking time to meet with me concerning the County Council Ethics Committee's request for documents from the County Information Technology Department (IT Dept.). While the IT Dept. did produce some of the requested documents, some documents were withheld based on an asserted attorney-client privilege. In keeping with our discussion, I understand that you will furnish the Committee with an analysis of why, when, and what documents are allegedly protected from disclosure by the privilege. In addition, I also understand that you will provide a privilege log as to all non-disclosed documents, and that said log will meet the protocol applicable in United States District Courts.

Again, thank you for your cooperation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over the typed name.

Ernie Trakas



St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
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COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

May 11, 2018

Delivered by Inter-Office Mail & Electronic Mail – (ptrakas@stlouisco.com)

Mr. Peter Krane, Esq.
County Counselor
41 S. Central Ave.
Clayton, MO 63105

RE: Attorney-Client Privilege as between the St. Louis County Counselor and County Employees

Dear Mr. Krane:

As you may recall I wrote to you on April 27, 2018, concerning documents that the County Council Ethics Committee requested, but were not produced based on attorney-client privilege asserted by your office. We had agreed that you would furnish the Committee with a legal memorandum addressing the assertive claim of privilege, as well as a privilege log. To date I have not yet received the requested memorandum or privilege log. I will appreciate receiving the memorandum and log at your earliest convenience.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ernie Trakas", is written over the typed name.

Ernie Trakas



recycled paper

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St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



3900 Butler Hill Road
St. Louis, MO 63129
314 / 615-5442
314 / 615-7880 Telefax
E-mail: etrakas@stlouisco.com

COUNTY GOVERNMENT CENTER
LAWRENCE K. ROOS ADMINISTRATION BUILDING
41 S. CENTRAL AVENUE
CLAYTON, MISSOURI 63105

May 14, 2018

Via inter-office mail & electronic mail – [sstenger@stlouisco.com](mailto:ssstenger@stlouisco.com)

Honorable Steven V. Stenger
County Executive, St. Louis County
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Stenger:

This correspondence acknowledges receipt of the electronic mail message from your assistant, Ms. Kathy Schroeder, at 4:51 p.m. on Friday, May 11, 2018. In her message, characterized as a "note from the County Executive", Ms. Schroeder indicated that you were "still working on the responses to the *additional* questions the Ethics Committee submitted to your office" (emphasis added). For starters, the Ethics Committee submitted one (1) set of questions to you on April 26, 2018. No "additional" questions have been submitted to you or anyone in your office. Secondly, while the Committee appreciates your communication, we are disappointed you were unable to submit your answers on May 11, 2018, as requested. Accordingly, on behalf of the Committee, I am requesting that you submit your answers to the Committee's questions as soon as possible, but in any event no later than 5:00 p.m. May 18, 2018.

Your anticipated attention to this matter is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ernie Trakas", is written over a horizontal line. Below the signature, the name "Ernie Trakas" is printed in a standard font.

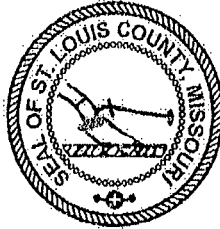
Ernie Trakas

cc: Sam Page, Hazel Erby, Mark Harder

St. Louis County Council

Ernie G. Trakas

St. Louis County Council, 6th District



COUNTY GOVERNMENT CENTER
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E-mail: etrakas@stlouisco.com

May 18, 2018

Via electronic mail – [sstenger@stlouisco.com](mailto:ssstenger@stlouisco.com)

Honorable Steven V. Stenger
County Executive, St. Louis County
41 S. Central Ave.
Clayton, MO 63105

Dear Mr. Stenger:

In response to your May 11, 2018, notification that you would not be submitting answers to the Ethics Committee's written questions on May 11th as requested, the Committee extended you the courtesy of submitting your answers by 5:00 p.m. today, May 18, 2018. It is now after 5:00 p.m. and neither your answers nor any other communication from your office has been received. As such, on behalf of the Committee, please be advised that if the Committee does not receive your answers by 9:00 a.m. Tuesday, May 22, 2018, we will conclude that you do not intend to answer the Committee's question and will proceed accordingly.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ernie Trakas", is written over the typed name. The signature is fluid and cursive.

Ernie Trakas

cc: Sam Page, Hazel Erby, Mark Harder



recycled paper

37

Steven V. Stenger
County Executive

Saint Louis
COUNTY
COUNTY COUNSELOR

Peter J. Krane
County Counselor

May 18, 2017

Councilmember Ernie Trakas
Lawrence K. Roos Administration Bldg.
41 S. Central Ave., 1st Floor
Clayton, MO 63105

Dear Councilmember Trakas:

With this letter please find two documents prepared at your request: a legal memorandum on the issue of privilege and a Privilege Log. Please consider these documents as attorney-client communications, not subject to secondary release. I am, of course, available to you should you have any questions.

Very truly yours,



Peter J. Krane
County Counselor

PJK/pm
Encls.

MEMORANDUM OF LAW PERTAINING TO ATTORNEY-CLIENT
PRIVILEGED COMMUNICATIONS

Presently at issue is whether legal advice by County attorneys to County employees, contained in electronic mail on the County server, constitutes communications¹ which are protected from disclosure by the attorney-client privilege. The attorney-client privilege has been codified in Section 491.060(3) RSMo and the Missouri Supreme Court has spoken clearly of the sanctity of the privilege. *State ex. rel. Great American Ins. Co. v. Smith*, 574 S.W. 2d 379, 382-385 (Mo. 1978).² The privilege may be invoked by either the attorney or the client. *State ex. rel. Polytech, Inc. v. Voorhees*, 895 S.W.2d 13, 14 (Mo. 1995).³ The preservation of client expectations of confidence is fortified in the ethical strictures, prohibiting disclosure of privileged communications by attorneys in Missouri. Missouri Rules of Professional Conduct, Rule 4-1.6.⁴ Further, the Missouri Sunshine Law, Section 610.021(1) expressly authorizes the closure

¹ "The attorney-client privilege attaches to: (1) information transmitted by voluntary act or disclosure; (2) between a client and his lawyer; (3) in confidence; (4) by a means which, so far as the client is aware, discloses the information to no third parties other than those reasonably necessary for the transmission of the information or for the accomplishment of the purpose for which it is to be transmitted." *White v. City of Ladue*, 422 S.W.3d 439, 447 (Mo. App. 2013). There is no legal requirement that the information transmitted between attorney and client be in a particular form. *Bar Plan Mut. Ins. Co. v. Chesterfield Management Associates*, 407 S.W.3d 621 (Mo. App. 2013).

² As long as our society recognizes that advice as to matters relating to the law should be given by persons trained in the law—that is, by lawyers—anything that materially interferes with that relationship must be restricted or eliminated, and anything that fosters the success of that relationship must be retained and strengthened. The relationship and the continued existence of the giving of legal advice by persons accurately and effectively trained in the law is of greater societal value ... than the admissibility of a given piece of evidence in a particular lawsuit. Contrary to the implied assertions of the evidence authorities, the heavens will not fall if all relevant and competent evidence cannot be admitted. *State ex. rel. Great American Ins. Co. v. Smith*, 574 S.W.2d 379, 383 (Mo. banc 1978). "Some of the advice given by the attorney may be based on information obtained from sources other than the client. Some of what the attorneys say will not actually be advice as to a course of conduct to be followed. Part may be an analysis of what is known to date of this situation. Part may be a discussion of additional avenues to be pursued. Part may be keeping the client advised of things done or opinions formed to date. All of these communications, not just the advice, are essential elements of attorney-client consultation. **All should be protected.**" (bold emphasis added. *State ex. rel. Great American Ins. Co. v. Smith*, 574 S.W.2d 379, 384-385 (Mo. 1978).

³ An attorney-client communication which contains the attorney's work product is privileged and protected by both attorney-client privilege and the work product doctrine. In addition to the protections expressly afforded attorney work product in the Missouri Sunshine Law, Section 610.021(1) and (14) RSMo, the work product doctrine can be invoked to prevent disclosure of materials that relate to litigation that has not been actually commenced. *State ex. rel. Day v. Patterson*, 773 S.W.2d 224, 228 (Mo. Ct. App. E.D. 1989). An attorney's opinion, contained in a legal document, is no less protected by attorney-work product doctrine than trial preparation materials. See *State ex. rel. Ford Motor Co. v. Westbrooke*, 151 S.W.3d 364, 367 (Mo. 2004) (en banc) (stating that "[p]rotection of intangible work product exists independently of Rule 56.01(b)(3)").

⁴ Comment to Rule 4-1.6, ¶15: "A lawyer must act competently to safeguard information relating to the representation of a client against inadvertent or unauthorized disclosure by the lawyer or other persons who are participating in the representation of the client or who are subject to the lawyer's supervision."

of records which contain "any confidential or privileged communications between a public governmental body or its representatives and its attorneys." (italics added).

"[T]he advice of an attorney is as important to a governmental body as it is to a private party. Thus, the need to communicate candidly with an attorney is as important to a governmental body as it is to a private party, and the public interest is served by protecting the communications in both instances." *Librach v. Cooper*, 778 S.W.2d 351,354 (Mo. App. 1989).⁵ The St. Louis County Charter clearly and unequivocally defines the attorney-client relationship in Article V, Section 5.030⁶ and Section 5.010 authorizes delegation of attorney duties by the County Counselor to other attorneys employed in the office. In *Upjohn Company v. United States*, 449 U.S. 383 (1981), the Supreme Court ruled that communications by corporate employees to counsel for the corporation, acting at the direction of corporate superiors in order to secure legal advice, such communications were protected. "[T]he privilege exists to protect not only the giving of professional advice to those who can act on it but also the giving of information to the lawyer to enable him to give sound and informed advice." *Id* at 390. Importantly, the attorney-

⁵ See, e.g., *Coastal States Gas Corp. v. Department of Energy*, 617 F.2d 854, 863 (D.C. Cir. 1980) (where government uses attorneys as would any private party seeking advice to protect personal interests, government needs same assurance of confidentiality); *SEC v. World-Wide Coin Invs., Ltd.*, 92 F.R.D. 65, 67 (N.D. Ga. 1981) (conclusorily citing *Upjohn v. United States*, 449 U.S. 383 (1981), to extend privilege to communications between SEC staff and SEC counsel); *People ex rel. Department of Pub. Works v. Glen Arms Estate, Inc.*, 230 Cal. App. 2d 841, 854, 41 Cal. Rptr. 303, 310 (1964) (extent of privilege 'is the same where the client is a body politic as where the client is a corporation'); see also *Green v. IRS*, 556 F. Supp. 79, 85 (N.D. Ind. 1982) (privilege 'unquestionably is applicable to the relationship between Government attorneys and administrative personnel'), *aff'd mem.*, 734 F.2d 18 (7th Cir. 1984); *Jupiter Painting Contracting Co. v. United States*, 87 F.R.D. 593, 598 & n.6 (E.D. Pa. 1980) (indicating that '[c]ourts generally have accepted that attorney-client privilege applies in the governmental context' but citing only work product and executive privilege cases).

⁶ "Section 5.030. 1. The county counselor shall have charge of and conduct all of the civil law business of the county, its departments, divisions, offices, officers, boards and commissions. He shall institute, in the name and on behalf of the county, all civil suits and other proceedings at law or in equity requisite or necessary to protect the rights and interests of the county and enforce any and all rights, interests or claims against any and all persons, firms or corporations in whatever court or jurisdiction such action may be necessary; and he may also appear and interplead, answer or defend, in any proceeding or tribunal in which the county's interests are involved. He shall prepare or approve as to form all leases, deeds, contracts, bonds, ordinances, rules, regulations, drafts of legislation, and other instruments. He shall institute and prosecute all proceedings for the collection of delinquent taxes and licenses of every kind owing to the county. He shall, upon request, furnish legal advice and opinions to the council, the county executive, department heads, elective officials, and to all county boards and commissions, respecting county business. He shall prosecute violations of county ordinances." 2. "The county counselor shall have all powers and duties vested by law in county counselors and attorneys for any officer, office, board, commission or other agency of the county. Neither the council nor any department, division, office, officer, board, commission, or other agency or body of the county shall have any attorney other than the county counselor, except as may be authorized by ordinance in each employment." (bold emphasis added).

client privilege has been specifically held to apply to municipalities. In *Criswell v. City of O'Fallon*, 2008 WL 250199 (E.D. Mo 2008), the District Court specifically considered the scope of the attorney-client privilege in the context of communications between two former City attorneys and a former City employee. "The Court sees no reason why conversations with an attorney, employed on behalf of a municipality, would not be subject to the attorney-client privilege, when all other requirements of the privilege are met." *Id.* at *2. Further, the Court held that "[t]he privilege in the present case belongs to the City, and not to an individual employee" and found no waiver of the privilege. *Id.* at *3.⁷

Similarly, the Supreme Court in *U.S. v. Jicarilla Apache Nation*, 564 U.S. 162, 169-170 (2011) held that "[t]he objectives of the attorney-client privilege apply to governmental clients. The privilege aids government entities and employees in obtaining legal advice founded on a complete and accurate factual picture." The Court further stated: "If the Government were required to identify the specific interests it considered in each communication, its ability to receive confidential legal advice would be substantially compromised...Forcing the Government to monitor all the considerations contained in each communication with counsel would render its attorney client privilege 'little better than no privilege at all.'" *Id.* at 183, citing *Upjohn*, 449 U.S., at 393.

In conclusion, email communications between government attorneys and employees is privileged and protected by federal and state common law, statutes and the Missouri Supreme Court Rules of Professional Conduct.

⁷ See also *New York City Managerial Employee Association v. Dinkins*, 807 F.Supp. 955, 958 (S.D.N.Y.1992) ("The Court agrees that each of these items contained a discussion of legal advice given by the New York Corporation Counsel to City officials and/or agencies that are therefore protected by the attorney-client privilege."). The Sixth Circuit addressed the exact question before this Court, "whether a municipal corporation can assert the attorney-client privilege in the context of civil litigation[.]" and concluded that "a municipality can assert the attorney-client privilege in civil proceedings." *Ross v. City of Memphis*, 423 F.3d 596, 600-601, 603 (6th Cir.2005); see also *In re Witness Before special Grand Jury 2000-2*, 288 F.3d 289, 291 (7th Cir.2002) ("[B]oth parties here concede that, at least in the civil and regulatory context, the government is entitled to the same attorney-client privilege as other any other client."). "Privileged material is any professionally oriented communication between attorney and client, whether or not it is made in anticipation of litigation or in preparation for trial." *Bar Plan Mut. Ins. Co. v. Chesterfield Management Associates*, 407 S.W.3d 621 (Mo. App. 2013);

Privilege Log

Document: Email and attachment (leases)

Author: Bob Grant

Recipient: Stephanie Hill

Date: February 9, 2016

Subject matter: Review of leases

Privilege: Attorney work product

Document: Email and attachment (leases)

Author: Stephanie Hill

Recipient: Bob Grant

Date: February 16, 2016

Subject matter: review of leases

Privilege: Attorney work product

Document: Email with attachments (lease drafts)

Author: Bob Grant

Recipients: Ted Medler (cc to Nicholas Gardner, Stephanie Leon Streeter, Anthony Badino)

Date: March 2, 2016

Subject matter: Review of leases

Privilege: Attorney work product; attorney-client communication

Document: Email with attachments (leases)

Author: Bob Grant

Recipients: Bruce Kozozenski (cc to Anthony Badino)

Date: March 2, 2016

Subject matter: Lease review

Privilege: Attorney work product; attorney-client communication

Document: Email with attachments (leases)

Author: Stephanie Leon Streeter

Date: March 2, 2016

Recipients: Ted Medler (cc to Nicholas Gardner, Bob Grant)

Subject matter: Lease review

Privilege: Attorney-client communication

Document: Email

Author: Nicholas Gardner

Date: March 2, 2016

Recipients: Bob Grant, Ted Medler (cc to Stephanie Leon Streeter, Anthony Badino)

Subject matter: Lease

Privilege: Attorney work product; attorney-client communication

Document: Email with attachments: (lease)

Author: Bob Grant

Date: March 4, 2016

Recipients: Anthony Badino

Subject matter: Lease review

Privilege: Attorney work product; attorney-client communication

Document: Email with attachments (lease)

Author: Bob Grant

Date: March 7, 2016

Recipients: Nicholas Gardner, Ted Medler

Subject matter: Lease review

Privilege: Attorney work product; attorney-client communication

Document: Email with attachment (correspondence)

Author: Paul Hampel

Date: June 8, 2016

Recipients: Stephanie Hill, Anthony Badino

Subject matter: draft of correspondence

Privilege: Attorney work product; attorney-client communication

Document: Email with attachment (correspondence)

Author: Stephanie Hill

Date: June 8, 2016

Recipients: Paul Hampel, Anthony Badino

Subject matter: draft of correspondence

Privilege: Attorney work product; attorney-client communication

Document: Email

Author: Bob Grant

Date: August 2, 2016

Recipients: Anthony Badino

Subject matter: lease

Privilege: Attorney work product; attorney-client communication

Document: Email with attachments (lease)

Author: Bob Grant

Date: August 11, 2016

Recipients: Anthony Badino

Subject matter: Lease review

Privilege: Attorney work product; attorney-client communication

Document: Email with attachment

Author: Bob Grant

Date: September 28, 2016

Recipients: Anthony Badino

Subject matter: lease

Privilege: Attorney work product; attorney-client communication

Document: Email with attachments (lease documents)

Author: Anthony Badino

Date: December 13, 2016

Recipients: Bob Grant

Subject matter: lease

Privilege: Attorney-client communication

Document: Email with attachment (lease)

Author: Bob Grant

Date: December 15, 2016

Recipients: Micki Wochner

Subject matter: Lease review

Privilege: Attorney work product

Document: Email with attachment (lease addenda)

Author: Micki Wochner

Date: December 16, 2016

Recipient: Bob Grant

Subject matter: Document review

Privilege: Attorney work product

Document: Email with attachments (lease)

Author: Bob Grant

Date: December 28, 2016

Recipients: Micki Wochner

Subject matter: Document review

Privilege: Attorney work product

Document: Email with attachment (lease document)

Author: Bob Grant

Date: December 28, 2016

Recipient: Anthony Badino

Subject matter: Document review

Privilege: Attorney work product; attorney-client communication

Document: Email with attachment (lease document)

Author: Bob Grant

Date: December 29, 2016

Recipient: Micki Wochner

Subject matter: Lease document

Privilege: Attorney work product

Document: Email

Author: Ted Medler

Date: January 5, 2017

Recipients: Nicholas Gardner (cc to Bob Grant, Anthony Badino, Joe Hunt, Stephanie Leon Streeter)

Subject matter: notice re: lease

Privilege: Attorney-client communication

Document: Email

Author: Nicholas Gardner

Date: January 5, 2017

Recipients: Ted Medler (cc to Bob Grant, Anthony Badino, Joe Hunt, Stephanie Leon Streeter, Glenn Powers)

Subject matter: notice re: lease

Privilege: Attorney work product; attorney-client communication

Document: Email with attachment (lease)

Author: Bob Grant

Date: January 30, 2017

Recipient: Micki Wochner

Subject matter: Document revision

Privilege: Attorney work product

Document: Email with attachment (document)

Author: Bob Grant

Date: January 31, 2017

Recipient: Micki Wochner

Subject matter: Lease document

Privilege: Attorney work product

Document: Email with attachment (lease document)

Author: Micki Wochner

Date: January 25, 2018

Recipient: Peter Krane

Subject matter: document revision

Privilege: Attorney work product

Document: Email with attachment

Author: Peter Krane

Date: January 25, 2018

Recipients: Jeff Wagner; Micki Wochner

Subject matter: Document revision

Privilege: Attorney work product; attorney-client communication



OFFICE OF THE COUNTY EXECUTIVE

SAINT LOUIS COUNTY
41 SOUTH CENTRAL AVENUE
SAINT LOUIS, MISSOURI 63105

STEVEN V. STENGER

May 22, 2018

(314) 615-7016

Honorable Ernie Trakas
and Members of the St. Louis County Council Ethics Committee
Lawrence K. Roos County Government Building
41 So. Central
Clayton, MO 63105

HAND-DELIVERED AND VIA EMAIL

Dear Committee Members:

As County Executive one of my top priorities is tackling poverty in St. Louis County's most underserved communities and eliminating the barriers that restrict upward economic mobility.

North St. Louis County has been my main focus on these efforts. For years this community has long been ignored and passed over. I wanted to change this trajectory. Two projects I am most proud of are the redevelopment of Jamestown Mall and the redevelopment of the old Northwest Plaza. In particular, the Crossings redevelopment has revitalized a community that was suffering deeply and brought new economic growth to a region that desperately needed it.

This project has brought over \$328 million dollars, and over 2,800 jobs, to North St. Louis County. Businesses such as Save-A-Lot have recently chosen The Crossings at Northwest as their new headquarters. Charter Communications has a brand new, state-of-the-art call center at this location, providing hundreds of jobs to members of our community.

In 2016, this project received approval by the County Council by a 5 to 1 vote. Councilman Sam Page championed the project and sponsored the bill throughout the legislative process. In a June 21, 2016, story by KMOX's Brett Blume, Councilman Page is quoted saying "We will be leasing this at a rate that is much less than our current rate. And we will save almost ten million dollars on the leased space over the course of the contract." Now, approximately two years later, he and other members of the Council claim they were "misled." This despite the fact that prior to the Council's approval of the lease, members were provided every piece of information they requested in order to inform their vote.

The only credible explanation for the Council's sudden reversal is that beginning in 2018, their political winds shifted to election year politics and obstruction of this administration.

Hon. Ernie Trakas

May 22, 2018

Page Two

Councilman Trakas was the only member not present when the project was overwhelmingly approved. The remaining members based their votes on all the information they requested and received by this administration. Faced with that inconvenient reality, Councilman Trakas was the only viable avenue to try to rewrite history and recast the Crossings project from the obvious success it is to St. Louis County. Councilman Trakas who is besieged by his own political misfortune and currently subject to a special prosecutor's ouster lawsuit, is attempting to resuscitate his flailing political career by distancing himself from North County and discrediting the Crossings project. At the direction of Councilman Trakas, current and former County employees have spent countless hours preparing and producing thousands of documents and testifying during hours of hearings. This administration cooperated fully. It has become patently obvious, however, that County employees were diverted from providing vital services to County residents to become pawns in a drama manufactured for PR and political purposes. The hundreds of thousands of dollars of taxpayer resources wasted by Councilman Trakas conducting a process which netted no benefit to the taxpayer is unconscionable.

The entire process was a farce. Witnesses were needlessly intimidated by having to testify under oath, as if these dedicated servants would not willingly tell the truth. Witnesses were called upon to testify about matters that even a cursory review of relevant information would reveal were outside their area of expertise or firsthand knowledge. Documents discussed at hearings were cherry picked to obscure context, while key documents and relevant lines of inquiry were ignored. Most offensive, Councilman Trakas asked certain County employees to use him as a conduit to the St. Louis Post-Dispatch confirming the real goal of this exercise. Imagine County employees facing those who control the funding of their jobs having to deal with such a request. Despite all of the obstacles erected by Councilman Trakas, County employees testified honestly, to the best of their ability and showed that, contrary to the narrative being pushed, the Crossings is a resounding success by every appropriate measurement.

The most glaring misrepresentation manufactured by the Committee and perpetuated by its chosen media outlet, the St. Louis Post-Dispatch, is the financial costs and benefits of the project. Focusing the hearings and so called evidence solely on pre-lease estimates, the cost of the lease has been consistently over estimated and the benefits grossly underestimated. The Committee systematically refused to review or even reference lease savings calculations based on sound market analysis and actual expenditures because they support savings and benefits identified by this administration prior to lease execution. The Post-Dispatch "analysis" of the lease is fundamentally flawed for numerous reasons but the worst is the assumption that lease rates for then current leases would remain static for the next 20 years. The Post-Dispatch refused to revisit its "calculations" even after hearing hours of undisputed testimony that under no circumstances would current leases for substandard or inappropriate space at current leases rates continue indefinitely or be sustainable to provide essential services to County residents for the best available price. Even the St. Louis Business Journal reported that the average square footage rate in North County is comparable to St. Louis County's rate at the Crossings.

Hon. Ernie Trakas

May 22, 2018

Page Three

This protracted process revealed that all material facts and information necessary to evaluate the Crossings lease was either provided or available to the voting Council members. Any claim that Council members were misled is disingenuous at best. Moreover, the contention that any of the information regarding this lease supports a claim that there were superior alternatives or that doing nothing was a viable course of action is specious. At the time Council members voted for the lease, the fact that they, their family members, or I received campaign donations from persons or entities associated with the developer of the Crossings project did not affect or change their view that this lease was in the best interests of St. Louis County. Only when the focus of the election cycle came into view, and when some were trying to create a false narrative that this lease would not have happened but for campaign donations, did certain Council members suddenly become "misled" about the components of the lease. Does Councilman Trakas maintain that Councilwoman Erby, Chairman Page and Councilwoman Wasinger contributed to an alleged pay to play scheme when they or their family members took campaign donations from people or entities associated with the Crossings project? I think not. After all the taxpayer dollars wasted on this exercise, despite the attempted disinformation campaign and escalating empty rhetoric to the contrary, the reality is that nothing has changed since the Council properly approved this lease. This has been revealed for what it is--a failed political stunt.

The Crossings at Northwest has been a success story not only for St. Louis County's consolidation efforts but for many private employers who plan to call St. Ann home for the long-term future. Revitalizing challenged areas of our County is an integral part of what we as officials of the County were elected to do. I remain committed to the issues that County residents care about: ensuring equitable economic opportunities for all, improving and protecting the health and safety of our residents, supporting desirable and vibrant neighborhoods, and making sure government is responsive and responsible and being the best steward of tax dollars.

The request for information propounded by Councilman Trakas is nothing more than a thinly veiled political tirade containing baseless assumptions. I refuse to contribute to this continuing charade any more than necessary. Accordingly, in the addition to the brief comments I make below, I hereby incorporate the thousands of documents produced and proper testimony elicited as my response to any legitimate request for information regarding this transaction.

1. The Crossings at Northwest Plaza now supports over 2,800 jobs and over 20 employers. The Crossings is Class A office space that has been built specifically for our governmental needs. St. Louis County's previous locations were out of date, increasing in costs, contained mold, unsafe to County employees and no longer satisfied our operational needs. After hours of testimony by current and former County employees and thousands of documents provided, the evidence is overwhelming and uncontroverted. Under no circumstances would current leases for substandard or inappropriate space at current lease rates continue indefinitely or be sustainable to provide essential services to County residents for the best available price. The Crossings was the only viable, cost effective and

strategic option to secure appropriate space to provide vital services County residents depend upon.

2. I hereby incorporate the proper calculation of savings provided and ignored by the Council during the Committee's hearings. It is not an either-or proposition. We invested in the Jamestown Mall redevelopment and North Oaks.
3. All emails and documents regarding this project have been turned over and are in the Committee's possession.
4. No.
5. I hereby incorporate the proper calculation of savings provided and ignored by the Council during the Committee's hearings. The \$73 and \$30 million figures referenced are speculation. The uncontroverted evidence shows that building an appropriate facility on existing St. Louis County property was contemplated in the beginning of this process then rejected because the cost would have been exponentially more costly than the Crossings lease. This is confirmed by hours of testimony and thousands of documents provided to the Committee.
6. I hereby incorporate the proper calculation of savings provided and ignored by the Council during the Committee's hearings. In addition, the calculations referenced are in the Committee's possession. It is evident that the Committee is not on a serious quest for information, but on a politically motivated detour that, after this response, I will no longer participate.
7. Mr. Badino spent hours explaining the competitive process utilized for this project. Multiple properties were considered for building and owning and multiple properties were considered for leasing. Moreover, Mr. Badino testified in great detail about the negotiations and your characterization of the testimony and evidence is false. Also in response, I hereby incorporate the proper calculation of savings provided and ignored by the Council during the Committee's hearings.
8. The property tax bill was paid at the end of the year. Moreover, St. Louis County contracts with several other parties regarding leased space. Requiring St. Louis County, as a tenant, to pay its portion of the property tax liability is not exclusive to the Northwest Crossings lease.
9. Please contact the St. Louis County Assessor.
10. Contrary to your assertion, the developer securing a private loan is not a taxpayer funded benefit. TIF financing is provided by the local governmental bodies. Brownfield tax credits

are provided by the State of Missouri. New Market tax credits for this project were awarded and supported by the previous administration. These benefits were not provided or premised on County tenancy. As the uncontroverted evidence presented shows, building and ownership of a facility was the first option considered but was rejected because of cost. The lease transaction was evaluated based on space needs, cost, location, and the myriad of other factors identified by the testimony and documents provided.

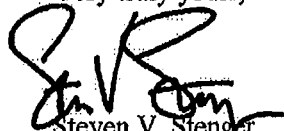
11. It is inappropriate to provide a public legal opinion. Suffice it to say that your analysis is incorrect as to the meaning of the lease provisions, their purposes or their effect. An intentional and unwarranted breach of contract would have serious consequences to the County that no responsible official would consider. If you are unable to divine the operational disaster that would occur if the County were precipitously evicted from the space it occupies at the Crossings for an intentional and unwarranted breach of the properly enacted and existing lease and the profound negative impact on the services provided by the dedicated County employees housed at the Crossings, then you should reconsider representing the citizens of St. Louis County.
12. It is inappropriate to provide a public legal opinion. Suffice it to say that the Charter speaks for itself, and your legal analysis is fundamentally flawed. I am not going to dignify this question with a response except to say that Council members espousing such a specious legal theory is tantamount to a threat to renege on our contractual obligations which could subject our County to serious legal liability and undermine our County's stellar credit rating.
13. It is not appropriate to provide a public legal opinion. The provisions of the lease speak for themselves, and your characterization of these provisions are neither factually or legally correct.
14. The uncontroverted evidence revealed that County staff conducted the site identification/selection process and that Public Works staff was involved in this process. Mr. Badino demonstrated in his testimony that he has significant knowledge in commercial and residential real estate, and had outstanding command of the transaction. The uncontroverted evidence also revealed that Public Works staff concurred that the lease and relocation were successful.
15. This Committee has no jurisdiction over Missouri campaign finance laws. All of my campaign finance reports are online and publicly accessible for inspection by any member of the public. It is undisputed that any compensation received by Mr. Badino after my inauguration was for services rendered to my campaign prior to Mr. Badino becoming a County employee.

Hon. Ernie Trakas
May 22, 2018
Page Six

16. I prepared the responses and my staff assisted me.

17. Please contact the County Counselor regarding this matter.

Very truly yours,



Steven V. Stenger
County Executive

Steven V. Stenger
County Executive

Saint Louis
COUNTY
COUNTY COUNSELOR

Peter J. Krane
County Counselor

June 18, 2018

Mr. Ernie Trakas
Councilmember, 6th District
41 S. Central Ave., Floor 1
Clayton, MO 63105

Dear Councilmember Trakas:

With this letter I intend to draw your attention to several factual inaccuracies in a particular section in the draft report of your Ethics Committee, said draft dated June 12, 2018.

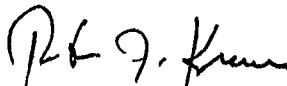
In Section F it reads that the Committee requested documents from all witnesses who appeared before it and "all County employees who appeared before the Committee submitted all requested documents to the St. Louis County Counselor's office for its review." This is not true. As I told you, my office did not review all documents presented to the Committee. The report further reads "[p]rior to the production of any documents to the Committee, the County Counselor's office culled certain documents from each witness' proposed production. . . ." This is not true.

Later in Section F it is claimed that any privilege or work product claims were waived when "the County Counselor's office authorized production of certain communications and documents" My office never authorized the production of any documents, whether or not they may have been privileged. As I told you, my office did not review all proposed production for privilege so it would not have "authorized" production of privileged material.

I also disagree with the conclusions set forth in the final paragraph of Section F. In reviewing the documents for privilege, I sought to protect from disclosure those communications that were between clients and their counsel. This is a privilege that is universally recognized. I engaged in the same review for these documents as I would in any communication with any client, including you. This is not "selective" use of the privilege, but an appropriate use that all clients would expect.

Please feel free to contact me should you have any questions.

Very truly yours,



Peter J. Krane
County Counselor